

The NATIONAL UNDERWRITER

Patrick Henry
on March 23, 1775 said ...



"It life so dear, or peace so sweet as to be purchased at the price of chains and slavery — as for me, give me liberty or give me death!"

TODAY we hear more and more about the security, the "peace so sweet" of a planned economy . . . less and less about the old-fashioned initiative, inventiveness and hard work that created the American way of life.

In our striving for security and material well-being, we are in danger of bartering our individual liberties for the "chains and slavery" that are the price of a planned economy.

If our free economy is to endure, we must return to the fundamentals of self-reliance and individual initiative upon which it was built.



Fireman's Fund Group

FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY

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THURSDAY, JULY 28, 1949

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An Offer to General Line Men

■ Would you like a sample copy of one or more of these unique new Salesbuilder Kits—developed especially to simplify life insurance sales for busy general line men?

■ Packed with sales stimulating ideas, each kit sells a specific life insurance need . . . and has proved its worth in rigid field testing. But why not judge their value for yourself? Without cost or obligation, send today for any or all of the following kits: Social Security, Education, Mortgage Cancellation, Family Protection. Write our Sales Service Division.

**THE MUTUAL BENEFIT
LIFE INSURANCE COMPANY**

ORGANIZED IN 1845 NEWARK, NEW JERSEY

British Insurance Assn. Bares Fangs on Nationalization

Takes Fight to Enemy Camp in Aggressive Press Campaign

British Insurance Assn. has launched its attack on nationalization with a press campaign which sets out the case for private industry. In this the association is taking courage and initiative from the fact that other industries have submitted tamely to nationalization and that they have lived to regret it. The insurance industry has no such intention—as has been made clear on several occasions by its leaders. Hence the campaign and the policy of taking the fight into the enemy's camp. Effort of the publicity is to tell the public, through the press, what nationalization of insurance will mean to them as individuals and to the country as a whole.

Main point in the latter section is the fact that world wide insurance business from abroad earns at least £33 million in foreign currency. Insurance is one of the most valuable "invisible exports" of the British nation and this, the association claims, is obtained entirely because of the confidence the foreign holders place in the organizations with which they deal. If any part of the industry were nationalized that confidence would depart and the industry collapse. Emphasis is placed on the fact that the British insurance industry and British Insurance Assn. have no politics as such. It is campaigning in the belief that it has a duty to tell the public what it believes would happen were nationalization adopted. Deadline for action will depend on the reelection of the present government in the next election which may be late in 1949 or in 1950.

Special attention has been given in this survey and in others to the possible loss of North American and particularly U. S. business. R. G. Simpson, chairman of General Accident, said: "Our revenue this year includes 1,250,000 good American dollars as a result of our efforts there. When translated into terms of wheat it becomes a real national asset." He deplored efforts to attract tourist traffic while at the same time threatening to discard this existing source of revenue by nationalization.

To Compare Policy Forms

John Henry Martin, manager of Standard Forms Bureau, will describe the new California standard fire policy to Oakland Assn. of Insurance Agents at a luncheon July 26. He will also make comparisons with the old standard form. Mr. Martin has prepared a complete comparison between the two forms to be distributed to agents and brokers in the state for guidance.

The new form, which is the New York form with about four or five changes, may be used later this year but will be mandatory July 1, 1950.

New Fla. Local Board

Manatee County Assn. of Insurance Agents has been organized at Bradenton, Fla., with Henry C. Shelton as president; Don McGuire, vice-president and Claude Hebb, secretary.

America Fore Has Outstanding Gains in First 6 Months

America Fore group in its report for the first six months of 1949 shows an underwriting profit for the companies as a whole of \$11,934,269. This compares with an underwriting loss in 1948 for the same period of \$2,688,781. Assets as of June 30 totaling \$561,475,493 represent an increase of \$16,797,255 over the Dec. 31 figure of \$544,678,240.

All of the companies show handsome results. Continental in its semi-annual statement shows assets of \$191,640,993, an increase in premium reserve of \$3,366,371, and premiums written of \$34,625,202. Net surplus is \$91,333,387, a decrease of about \$1 million. The company had an underwriting profit of \$4,092,536 and a net investment income of \$3,262,910.

Figures of Group Companies

Assets of Fidelity-Phenix were \$158,142,493. The company had written premiums of \$28,183,949 and an underwriting profit of \$3,243,254. Premium reserve was up \$2,419,725. Surplus stood at \$7,845,711, an increase of \$144,588. Net investment income was \$2,555,241.

Assets of Niagara on June 30 were \$50,106,634, and surplus was \$21,215,386. Premiums written were \$10,783,353 and premium reserve increased \$934,296. Underwriting profit was \$853,878, and investment income was \$902,200.

American Eagle had assets of \$43,357,477. For the first six months the company wrote premiums totaling \$7,936,686 and showed an underwriting profit of \$1,117,684. Surplus on June 30 was \$17,992,550 and there was a net investment income of \$816,582. Premium reserve increased \$293,977.

Fidelity & Casualty assets on June 30 totalled \$118,227,898. In the first six months the company wrote \$36,401,032 in premiums and the unearned premium reserve increased \$3,133,665. The underwriting profit totaled \$2,624,917. Surplus of F. & C. is now \$31,734,195. Net investment income for the first six months was \$1,761,780.

Market values of stocks and bonds for the group as a whole decreased \$12,198,940 in the first six months. Surplus of the companies based on market quotations declined \$1,146,674.

Alabama Agents Schedule Convention in October

The annual convention of the Alabama Assn. of Insurance Agents will be held at Birmingham, Oct. 4-7.

Features of the program will be educational forums on fire and casualty lines, a dinner in honor of past presidents, and a breakfast conference for small town and rural agents.

O. Shaw Johnson of Clarksdale, Miss., vice-president of the National Assn. of Insurance Agents, will be the principal speaker.

Meetings of the executive committee and the board of directors will be held Oct. 4, and the annual banquet Oct. 6.

The dinner in honor of past presidents will be Oct. 5 and will be headed by Jesse C. Hearn, of Roanoke, immediate past president and now state national director.

R. W. Lachmond of Molton, Allen & Williams is general chairman of local arrangements, under appointment by David W. Hamilton, president of the Birmingham Assn. of Insurance Agents. Miss Merle Tamblyn, president of The Insurance Women of Birmingham will head a women's committee. The women will give a luncheon for visiting ladies.

Ky. Dwelling Rates Decreased 18%

Rate reductions averaging 18% on dwellings in cities, towns and rural districts, and 12% on farm property, have been approved by the Kentucky department effective July 25. The rate decrease is said to be the largest single reduction in the cost of insurance throughout the state ever effected.

The department has estimated that the new schedule will mean an annual premium difference of \$1,347,000. Premiums on tobacco storage warehouses were reduced on May 16.

The rate on frame dwellings with an approved roof in a well protected town is reduced from 22 to 18 cents, and in unprotected districts from 74 to 62 cents. Farm dwelling rates have been decreased from 90 to 80 cents and frame barns now take a 90 cent instead of a \$1 rate.

Non-Bureau Carriers File N.A.U.A. Manual in Wash.

SEATTLE—The confused state of the automobile physical damage rate structure in Washington was clarified considerably when, effective July 25, many of the leading non-conference companies filed the new N.A.U.A. automobile manual, originally published May 23. Coincidentally, the new non-conference filings continued the principle of classification of use rating. The non-conference carriers filed manual less 20% for A-1 and A-2 risks (including all private passenger cars owned by farmers). This represents an actual reduction of only 10% from the rates used by conference companies. The latter companies had filed a 10% deviation from the new manual when it was published May 23.

With respect to A-3 and B risks, the non-conference companies filed manual less 10%, which is the same as the N.A.U.A. companies. For collision on farm trucks, the non-conference companies filed manual rates less 15%.

For fire, theft and comprehensive coverage on private passenger cars, the non-conference rates are manual less 10%, with no reduction in minimum premiums. This is the same as the N.A.U.A. rates currently in effect.

The filing by many of the non-conference companies was accepted with favor by the industry generally, since considerable confusion has resulted from the use of both the old and new manuals by the two types of companies.

Loan Companies Oppose Proposed D. C. Regulations

At a hearing on proposed loan company regulations, representatives of loan companies in the District of Columbia told the commissioners they would be forced out of business by the proposed regulations and would have to move across the line into Maryland or Virginia.

In general, the regulations would prevent loan companies from selling or requiring insurance other than recommended by the D.C. corporation counsel's office, as necessary to protect their investment. They could sell or require fire, theft and collision on auto loans under the regulations, but not life, accident and health coverage. Life coverage would be limited under loans unprotected by collateral security.

Chester Gray, assistant corporation counsel, who drafted the regulations, defended them. A new code is needed, he said, because "insurance has become the vehicle for excessive charges for use of money."

Renew Effort to Block North America Deviation

Clashes Occur at Hearing at Harrisburg on Big Issue

HARRISBURG—The special committee of 129 companies, headed by America Fore, renewed its efforts Monday night to have Commissioner Malone of Pennsylvania change his mind on approval of the 15% deviation granted North America for certain risks in excepted territory.

A night session of the hearing was marked by refusal of Abraham Kaplan, attorney for the committee, to agree to accept 1948 premium figures of North America from Bradford Smith, vice-president of the company.

Mr. Smith, producing a series of figures which Mr. Malone had subpoenaed at the request of the committee, said premiums on fire underwriting in Pennsylvania in 1948 totaled \$5,472,000 for his company. Mr. Kaplan contended the figure, according to reports filed with the department, was \$5,217,378, and asked that the annual report be brought into the hearing. Mr. Malone agreed to produce the reports of North America for the past five years.

Meantime, other premium and loss figures brought to the hearing by North America were held up for further cross-examination by Mr. Kaplan before he will agree to admit them as evidence.

Commission Situation

In presenting witnesses Mr. Kaplan reviewed the commission situation, and also delved into the mutual picture in relation to the deviation.

Functions of contract agents of North America and the minimum quotas involved, were discussed, by a number of witnesses.

H. P. Lichtenhaler of Pittsburgh, director of Pennsylvania Assn. of Insurance Agents, told Mr. Malone he was under the impression he was receiving an outright 25% commission on North America business instead of 20% and 5% for the contract agency service.

Mr. Lichtenhaler declared that if part-time agents were abolished insurance could be written at an average of 20% commission.

Mr. Smith clashed with Mr. Kaplan frequently and at one point said: "I don't know any reason why you can't accept the figures to which I am testifying." Mr. Kaplan frequently insisted on what he termed his right on various points in brushes with Mr. Smith and George Boss Hull, attorney for North America.

In trying to show that mutuals will be ruined if the 15% cut continues and if the 13 other companies that applied for identical deviations receive them, Mr. Kaplan produced a group of mutual officials.

Under cross-examination by Mr. Malone a number of them admitted it was too soon after the rate cut to actually feel the effects of any change in business. They said much of the mutual business is sold entirely because of the rate differential.

Mutual officials to testify included F. J. Henry, Union Mutual of Norristown; Edwin H. Goggeshall, Perkiomenville.

(CONTINUED ON PAGE 16)

Northeastern Is Acquired By Equity Corp.

NEW YORK—Industrial Ins., an affiliate of Equity Corp., has acquired a majority of the capital stock of Northeastern, the Hartford reinsurer.

Ellery C. Huntington, Jr., who is to become chairman of the board, Page Hufly, R. Sherrard Elliot, Jr., Joseph P. Christianson and Karl P. Anderson, all officers or directors of Equity Corp., have been elected to the board of Northeastern.

In addition to having control of Industrial Insurance, Equity Corp. has direct or indirect investments in General Reinsurance, North Star Reinsurance, Hamilton, Hawkeye Casualty, and Security Fire of Iowa.

Hollis Heads Florida Independent Adjusters

Thomas J. Hollis of Orlando was elected president of Florida Assn. of Independent Insurance Adjusters at the annual meeting at Orlando. Thomas McEveen of Miami is first vice-president; Joseph Pomeroy, Jacksonville, second vice-president, and J. E. Neblett of Tampa is secretary.

Members of the executive committee are Julius Harrison of Orlando; Joel A. Fite, Miami; R. N. Poston of Miami; John T. Sewell of Tallahassee and Dwight A. Smith, Jr., of Jacksonville.

Commissioner Larson of Florida, who was a speaker, was elected an honorary member together with Richard Lawson of the federal compensation bureau.

Mr. Larson urged a conscious pursuit of public approval in the claims field. He advocated a zeal to so conduct every contact with the public that it will earn a good name for the business.

Mr. Larson warned that there is no greater threat to public relations than the assumption of good public relations. He added that good-will in claim settlements can be a substantial contribution in blocking promotion of the welfare state and schemes for governmental benefits. Many of these measures, when analyzed, deal with protection that could be acquired by the simple purchase of an insurance policy, but the advocates of federal measures point out that they prefer to have the government pay benefits direct because of the trouble they say they have with claim representatives of insurance companies.

Every claim should be viewed as valid and pursued with that thought until the adjuster is convinced otherwise, Mr. Larson said. If after investigation the claim is still valid, it should be paid promptly. If it is not payable under the policy contract, he urged that the adjuster be sympathetic in attempting to explain the reasons for non-payment.

Schedule L. A. Classes

J. St. Paul White, chairman of the educational committee of the Insurance Association of Los Angeles has completed arrangements for the schedule of classes for the remainder of the year.

Fire rating classes will open Sept. 15 with Curtis Howard of the Hartford companies as instructor. The first two sessions will be devoted to habitational tariff and the remainder to schedule rating.

Automobile and aviation classes will open Sept. 19, followed by classes on public liability, fire, bonds, burglary and inland marine.

Elect in Hunterdon County

New officers of Hunterdon County (N. J.) Assn. of Insurance Agents are: John McNeil, president; Charles Geist, vice-president; Henry Lubens, secretary. George R. Parker, Sr., was reelected county vice-president of New Jersey Assn. of Insurance Agents.

New Interest in Chattel Mortgage Cover Following Ia. Approval

Some interest has arisen in the middle west over "chattel mortgage insurance," following a filing for that line by Phoenix of Hartford that has been approved by the Iowa department.

This is a coverage for persons who sell goods on an installment plan basis and take a chattel mortgage on the property. If the dealer has to resort to repossession of the property, the law requires that a chattel mortgage be filed with public authorities. The insurance covers failure to file the chattel mortgage and pays the dealer his loss, in the event the installment payments cease and repossession proves impossible. It is a means for the dealer to avoid filing his chattel mortgage papers, which involves a stipulated fee and a great amount of detail work.

This is not a new line of insurance. It has been written for a number of years, but generally only as accommodation business. It is not a line that the companies are seeking aggressively, although it is understood the experience has not been unfavorable. It is written through the marine departments of fire companies.

Protest Release Appeal For Jailed Cal. Arsonist

Attorney General Howser has asked the California supreme court to release from prison Benjamin Sugarman, one of three men convicted in an arson case at Stockton. District Attorney Watson, who prosecuted the three men, has filed a protest with the supreme court against Howser's action.

Sugarman was jailed on June 13, 1949, after the U. S. Supreme Court declined to hear an appeal. His conviction was the result of his involvement in the 1946 fire with two other men, Don Burton, who ran a shoe store in the building and Frank Martin, an independent adjuster, who was assigned to adjust the loss. Sugarman was called into the case as an expert.

Settlement was made by three insurers on the basis of the adjuster's report, the Phoenix of Hartford paying \$15,550 for allegedly damaged merchandise and \$12,827 for damage to the building; St. Paul F. & M. paying \$6,716 for alleged damage to furniture and fixtures and Connecticut Fire paying \$2,029 on business interruption. The fire department chief became suspicious when he learned of the claims put in and contacted the National Board. As a result of their investigation, Sugarman, Burton and Martin were indicted on charges of conspiracy and grand theft. All three were convicted in 1948 and sentenced to prison, but Burton was killed in an automobile accident before the case was ended.

An attorney for Sugarman submitted recently to the supreme court a brief for a writ of habeas corpus. Attorney General Howser entered the case when he asked the court to grant a hearing in order to "settle the important constitutional questions involved."

The three insurance companies have filed a civil suit against Sugarman and the Burton estate to recover sums paid.

Speaks on Rate Making

William H. Brennen, manager of the Lexington branch of Kentucky Inspection Bureau, spoke to the Lexington Rotary Club on rate making.

Safety Conferences in Tenn.

NASHVILLE, TENN.—The State Safety Council's statewide safety conference will be held here Sept. 30. Before that time local safety conferences will have been held in 22 of the 95 counties of Tennessee. Commissioner Allen is chairman of a special committee to promote both local and state safety conferences.

Mutual Agents, Company Men Work Out Details of "All Risk" Policy

Substantial progress in working out final technical details of an "all risk" dwelling form was reported by Hugh H. Murray, Jr., Raleigh, N. C., president of National Assn. of Mutual Insurance Agents, and Benjamin G. Sager of Cleveland, chairman of the association's special projects committee, following a two-day meeting with representatives of several mutual fire companies at Chicago.

The form has been in process of development for some months. It is designed to protect dwelling owners against all risk of loss occasioned by physical hazards and is intended to furnish broader coverage in this field than any now available in a single policy.

"The demand for such coverage obviously has existed for a long time," Mr. Murray asserted, "but the widespread interest which has been shown in the short time since it became known that we were working on the form has far exceeded even what we had expected."

The company executives and agents discussed rates, underwriting rules, terms of contract, selection of market and the internal problems which handling the coverage will present to the companies.

Among those attending were Frederic DuBois, vice-president of Berkshire Mutual Fire; George M. Madden, assistant secretary Western Millers Mutual Fire; T. L. Osborn, Jr., vice-president National Retailers Mutual, and E. J. Raabe, assistant secretary of Central Manufacturers Mutual.

Plane Collision Loss Issue Won by Insurer

An attempt by an assured to have coverage C of the aviation policy, which covers "all risk-ground only, excluding taxiing—including fire in flight," to indemnify against a collision loss suffered while landing, has terminated unsuccessfully in the South Dakota supreme court in Cramer vs. American Alliance.

On Jan. 30, 1948, during a landing run, the plane collided with a snowbank and the propeller was broken and both wings were bent. The issue centered about the sentence describing the coverage in detail that reads: "Any direct loss of or damage to the aircraft while not in flight or taxiing, and loss sustained in flight by reason of fire, lightning, explosion and self-ignition, except following collision, but including resultant collision damage."

The assured contended that the phrase "resultant collision damage" constitutes an additional risk and that the sentence should be read as though the last portion were written "and loss sustained in flight by reason of fire, lightning, explosion and self-ignition, except following collision, but including damage resulting from collision."

The court, however, said the words, "resultant collision damage" does not stand alone. They must be read in context in light of common knowledge that damage from a crash is frequently the consequence of a fire in flight. "Collision damage" is not set up as an "additional" risk. It is referred to as included damage. Then, it is made plain by the use of the word "resultant" that not all "collision damage" in flight is covered, but a particular kind of "collision damage," viz. a consequential damage resulting from something else, namely, the "fire" risk. To cause the coverage to include all damage resulting from a collision in flight requires that the contract be rewritten and this the court is not at liberty to do.

David H. Parry Retires

David H. Parry, assistant vice-president of Pacific National, has retired. Mr. Parry has been in the fire business at San Francisco for approximately 40 years.

Declare Moratorium on Arkansas Forms

LITTLE ROCK — Commissioner Graves has declared a "moratorium" until Jan. 1, 1950, on certain special forms of a number of large risks in Arkansas whose policies have been non-approved by Arkansas Inspection Bureau, because wording in the attached forms does not follow exactly the filings of the bureau with the insurance department.

These cases have arisen where agents and assureds have prepared and have privately printed their own special forms rather than using standard bureau forms. Often the texts of clauses and permits, while substantially the same as similar clauses and permits filed by the bureau, do not follow bureau language verbatim. The bureau takes the position—in which it is joined by Commissioner Graves—that in order to comply with the Arkansas fire rating law, it has no alternative than to issue non-approval on policies containing forms which do not follow filings verbatim.

The question whether wording "substantially" in compliance with filings would satisfy the requirements has been a more or less open one ever since the act became effective. Meanwhile, large risks which had their own forms continued to use them.

Clarification of the issue now, however, means that a number of these special forms must now be corrected in order to lift outstanding criticisms against them. Under Arkansas law, all bureau non-approvals must be corrected within 60 days. After that period, the bureau must report failure to correct to the commissioner.

A number of agents have protested that they could not revise special forms within the regular 60-day period, for in some cases revision of long and complicated forms would have to be undertaken in an insured's legal staff which may be located in Chicago or New York. This is true especially when the Arkansas risk is owned by an outside corporation who also has plants in other states and prepares one general form to be used for attachment to policies in other states.

Walter Plangman, director of the inspection bureau has notified all companies and agents by bulletin of the Commissioner Graves' moratorium. He points out, however, that non-approval of a special form will not be "cleared" but remain outstanding against the policy and that all corrections must be completed by Jan. 1 to comply with the moratorium.

Three Universities Employ Northwestern Mutual Books

A series of 12 insurance outlines used by the Northwestern Mutual Fire as part of its educational material for agents and its own personnel is now being used by three universities as collateral reading for those studying insurance. The outlines cover subjects ranging from the backgrounds and principles of insurance to the most modern contracts.

The volumes were prepared at the request of certain agents who also serve as insurance instructors at the universities. Sets have been presented to Ohio State, the University of Washington, and the University of Oregon. At Ohio State, B. B. Kirby, assistant manager of Northwestern's midwestern department, presented the books to Professor J. Wayne Ley.

Dick Crakes of Eugene, Ore., and his partner, J. Don Smith, president of the Oregon Insurance Agents Assn., and J. A. Rhodes, manager of Northwestern's Oregon department, presented the volume to Prof. C. L. Kelly and Marke R. Greene of Oregon.

At Seattle, Harry C. Bauer, director of libraries at the University of Washington, and John S. Bickley, assistant professor of insurance, received the outlines from W. H. Crisman, Northwestern's Washington manager, and Ainsworth Bogg, educational director.

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Rhode Island Case in Cal. Is Wide Open Again

SAN FRANCISCO—The California state district court of appeal here Tuesday announced that, on its own motion, it had set aside its previous two-to-one decision refusing the Rhode Island's petition to vacate the lower court's order appointing Commissioner Downey of California conservator of the company's assets in that state.

This order was signed by Judge Bray, acting presiding judge in the court, who wrote the majority opinion issued on July 18. In the new action the court ordered the case resubmitted on hearing. Technically, the case is wide open again and Rhode Island was given 10 days to file a brief, with Mr. Downey being given 10 days to reply.

One of the questions that it is expected will be clarified in the new proceedings is the reference in both the majority and minority opinions of the appeals court to "2% insolvency." This seems to have everyone confused.

ADT's Watchman's Handbook Revised

A new and revised edition of "The Watchman's Handbook," published by the American District Telegraph Co., is now available. The handbook contains helpful information and suggestions designed to assist watchmen, guards, superintendents and others in the effective safeguarding of premises entrusted to their care.

The new edition has been printed to meet a continuing widespread demand from business organizations throughout the country. The handbook is pocket-size, with a serviceable cover, and is written in nontechnical language.

The subjects covered include routine safety measures and practices, with suggestions for appropriate action in emergencies. Simple charts and diagrams give instructions in the proper care and use of safety devices, such as portable fire extinguishers. Blank pages are provided for recording important addresses, telephone numbers and other pertinent memoranda.

More than 45,000 copies of the handbook have been distributed since its original publication, and its practicability, usefulness and value have been widely praised.

American District Telegraph will send copies, without charge, to any organization employing watchmen or guards, whether they subscribe to ADT services or not. Write American District Telegraph Co., 155 Sixth avenue, New York 13, N. Y.

Complete Arrangements for L. A. Convention

The convention committee of the Insurance Assn. of Los Angeles in charge of the arrangements for the convention of the California association to be held in Los Angeles Nov. 7-9, has scheduled several breakfasts, a luncheon sponsored by California Blue Goose, and a dinner-dance at the close of the sessions.

W. B. Glassick, past president of C.I.A., who will have charge of the Institute for Advanced Agency Management at Occidental College, will preside at one breakfast featuring educational subjects.

Another breakfast will have a safety theme, and two others will be devoted to local board problems.

Wildman Ontario Manager

A. C. L. Wildman has been appointed manager of the Ontario branch of America Fore at Toronto. He formerly was agency superintendent.

Adopt N. C. Rules for Rate Hearings

RALEIGH, N. C.—Regulations for public hearings on insurance rate changes have been set up by the North Carolina insurance advisory board in compliance with an act of the 1949 legislature.

The board resolved that "all citizens and interested persons" will be given "as full an opportunity as possible to be heard in all cases where substantial rights of the public are involved . . . and without undue delay." Hearings will not be held in all cases, but only in cases involving new principles or of general public interest and "in no event shall a public hearing be scheduled prior to 20 days after submission of a rate filing."

Must Be Advertised by Companies

Companies seeking rate changes will be required to see that proper notice is given and that advertisements approved by the commissioner are inserted in one or more daily newspapers not more than 10 days prior to the hearing.

Hearings will be held on "any rate adjustment or proposal involving a general revision of an existing rating sched-

ule" but not on proposals involving only changes in specific items of an existing rate schedule, unless the commissioner decides that a hearing is justified.

Members of the board which adopted the regulations include Commissioner Cheek, Thomas Southgate, Durham; J. W. Anderson, Jr., Raleigh; W. H. Nelson, Spray; Erwin Pate, Laurinburg; W. H. Andrews, Jr., Greensboro, and George James, Charlotte.

The department already has held one public hearing under the new law which resulted in reduced rates for tobacco barn insurance, but definite regulations for such hearings had not been set up.

Peterson of Underwriters Adjusting Retires Aug. 1

R. M. Peterson, Detroit manager and Michigan supervisor for Underwriters Adjusting, is retiring on the company's pension program Aug. 1. He has been with the company for 27 years and formerly managed its Kansas City and Columbus offices.

D. I. Priest becomes Michigan supervisor. He has been manager and general adjuster at Grand Rapids for 20 years. A. H. Loesch will take over as manager at Detroit. He has been assistant manager at Detroit for a year and

was formerly manager at Lincoln, Neb., and general adjuster for Nebraska and Iowa.

Allin Reopens Own Firm

B. C. Allin, formerly vice-president of U. S. Appraisal Co. at San Francisco, has reopened his own office under the firm name of Allin Associates. The firm will specialize in insurance appraisals of structures and equipment. The offices are at 240 Sansome Street, San Francisco.

Fire Loss on School \$100,000

Fire damage estimated at \$100,000 was suffered by the 2-story, brick-joisted Hickory Grove school at Mission, Kan., near Kansas City, when the older portion of the building housing an auditorium and 10 class rooms was gutted. A new section of the school recently completed at a cost of \$250,000 escaped serious damage.

Stevens Addresses Kiwanians

Jay W. Stevens, assistant general manager of the National Board at San Francisco, spoke at the July meeting of the San Francisco Kiwanis Club. His subject was "Firefighting and Prevention on the West Coast."

it's the COMEBACK that counts!

YOUR VERBAL COMEBACK, THAT IS, WHEN A QUICK-WITTED STOREKEEPER POSES THIS QUESTION—

"As a proprietor of a small retail shoe store I fit a pair of shoes to a customer. A few days later my customer returns, complaining his feet have been injured by the shoes. Would my Storekeeper's Liability policy provide protection against such a claim?"

COULD YOU ANSWER HIS QUESTION?

It's a ticklish question—one you may have to answer even more frequently than you thought possible. Regardless of the type of storekeeper you approach, confusion about the principle illustrated above can wipe out business you don't want to lose. Royal-Liverpool Group agents know they can count on the Group's production and underwriting forces for information and assistance in developing the many opportunities that await them to sell this profitable line of insurance.

Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.



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Cancellation Held Effective Without Notice to Assured

East & West has been upheld by the federal court at Chicago in its contention that a policy was effectively canceled, over the argument of the assured that he had never received notice of the cancellation and that he was entitled to such notice. The case was Murray Bernard Industries, Inc. vs. East & West. The assured was engaged in selling furniture, purchasing the materials and having them sent to manufacturers at Rockford, Ill., Cleveland, and Holland, Ind.

Early in October, 1946, Mr. Bernard applied to Thomas Jacobs, an insurance broker attached to the Meeker-Magner Co. agency at Chicago, to get \$7,000 insurance on the Holland location and \$10,000 each for the properties at Cleveland and Rockford. The Meeker-Magner agency was able to get coverage for one-half of the order from California Ins. Co. directly. In connection with the other half, Meeker-Magner applied to Don R. Jensen insurance brokerage firm and the latter forwarded the order

to the McGowan agency. That office placed the order with East & West and that company prepared three policies. The Rockford policy was executed, signed and delivered to the McGowan agency, Oct. 16, 1946. The McGowan agency delivered the contract the same day to Don R. Jensen and the latter delivered it to Meeker-Magner Oct. 17. In the meantime the home office of East & West determined it had all the insurance it wanted on the Rockford location and notified the McGowan agency by telephone Oct. 18 that it desired the policy taken up for cancellation. Meeker-Magner returned the policy to Don R. Jensen and the latter surrendered it to the McGowan agency, and then it was returned to East & West. Mr. Jacobs was never notified that the policy was issued.

No Notice Was Given

Neither the McGowan agency nor Don R. Jensen, nor Meeker-Magner nor Thomas Jacobs were agents or employees of East & West. No one gave any notice to the Murray Bernard Co. of the issuance of the policy or of the intention to cancel.

On March 13, 1947, the building and contents at Rockford were completely destroyed. There was conflict in testimony between Mr. Jacobs and Mr.

Bernard as to an alleged conversation between them. There was delay in delivering the policy of California Ins. Co. and Mr. Jacobs testified that when it arrived either the last of November or the first of December, he rode home with Mr. Bernard, told him he could get only half the insurance that was wanted from California Ins. Co. and that he had been unable to complete the rest of the order. According to this testimony, Mr. Bernard told him that he didn't want any more policies at Rockford and that Mr. Jacobs should return the policies on that property. Mr. Bernard denies that such conversation ever took place. Mr. Jacobs thereupon returned the California policy on Rockford and delivered the Holland policy to Mr. Bernard. The latter paid for the Holland policy. The contract on the property at Cleveland was delivered to him but he had concluded to discontinue operations there and returned that policy.

It is the theory of the plaintiff that Mr. Jacobs and the various other brokers through whom the policy was procured were the agents of the insured, that delivery of the policy was made when it was turned over to the McGowan agency, that the brokers were without authority to surrender the policy for cancellation and that it could be canceled only by giving five days notice to the plaintiff.

The court observed that generally a broker employed simply to procure a policy is an agent of the insured for that purpose alone and is without authority to surrender the policy for cancellation except with the consent of the insured. However, the court said that from the course of dealing here, both before and at the time the insurance was procured, the broker having possession of the policy had power to surrender it. As to the conflict in the testimony about the conversation between Mr. Bernard and Mr. Jacobs, the court said that the circumstances compel it to accept Mr. Jacobs' testimony and if it is true, the plaintiff cannot recover on a policy which he ordered canceled.

Sam Levin, Chicago insurance attorney, represented East & West.

Gogebic Country Club. Present was Kenneth J. Bidwell, general agent of London Assurance, who flew in from New York. Lewis J. Lieberthal, son of the founder, was presented a Hamilton watch on the occasion and received congratulations from Walter Meiss, assistant U. S. manager, and representative local business and professional people who were present at the dinner.

Lewis Lieberthal has headed the office since the death of his father in 1932. He attended Northwestern University, is a past president of both the Ironwood Assn. of Insurance Agents and the Gogebic County association and a past vice-president of the Upper Peninsula association.

J. E. Wiley to Give Sales Message at Agents' Rally

John E. Wiley of New York, chairman of Fuller & Smith & Ross, advertising agency, and director of the United Nations World magazine, will be one of the featured speakers at the annual convention of National Assn. of Insurance Agents, Sept. 19-22 at the Stevens Hotel, Chicago.

Mr. Wiley, considered a speaker of unusual ability, will deliver an inspirational sales message to the 2,000 delegates who are expected to attend the four-day session.

Opens Key West Branch

Raymond N. Poston, adjuster of Miami, has assigned an adjuster to Key West to handle adjustments of all types for all companies and independent adjusters.

This is the first permanent assignment of an adjuster to Key West. The city has a population of 25,000, but hitherto adjustments have been made in the town on assignment only. The new office will be at 316 Simonton street.

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Incorporated 1832



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MANAGER

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Losses paid exceed Three Hundred Fifty Million Dollars

Fete Lieberthal Agency of Ironwood at 50 Year Point

The A. Lieberthal & Son agency of Ironwood, Mich., recently celebrated its 50th anniversary in business. The agency founder, the late A. Lieberthal, was appointed agent for London Assurance in 1899. One day later, he was appointed by Detroit F. & M. The agency has represented Atlas for 40 years, and North America and Fidelity & Casualty for more than 30 years. It also represents Hartford, Aetna Fire and Royal Exchange.

To commemorate the occasion, Russell P. Heindel, state agent for London Assurance, arranged a party at the

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VETERAN LOSS MAN

Clarke Munn to Retire Dec. 31; Jones to Chicago Post

Clarke J. Munn, manager of Cook County Loss Adjustment Bureau since 1926, will retire Dec. 31 at his own request. He will be succeeded by A. Ben



CLARKE J. MUNN

Jones, former St. Louis manager for Western Adjustment.

Mr. Munn entered the business in 1901 with Wisconsin Adjustment Bureau, which was conducted by his father, the late Eugene V. Munn. In 1906, Mr. Munn worked on the conflagration losses at San Francisco, and upon his return to Milwaukee joined Western Adjustment there. He was named manager for Western at Milwaukee in 1908 and had charge of the entire state of Wisconsin and the Michigan northern peninsula.

Early in 1925, Mr. Munn went to the head office of Western as assistant general manager. Later that year he was selected to organize the Cook County Loss Adjustment Bureau which began operations in 1926. Mr. Munn has been manager throughout the history of the bureau.

Mr. Jones, who resigned in 1947 after 25 years with Western, started with that company in 1920 at Kansas City. Two years later he established a branch office at Wichita and later another at St. Joseph, Mo. In 1926 he was named manager at Springfield, Mo. Two years later, Mr. Jones was transferred to St. Louis as senior adjuster. He was appointed general adjuster at St. Louis in 1929 and manager in 1932. He resigned in 1947 and joined the Lawton, Byrne, Bruner agency in production work.

Members of the board of Cook County Loss Adjustment Bureau have expressed great satisfaction in securing the services of Mr. Jones, who was one of the most valued members of the Western organization.

Dunn Ousted by Bowles

Governor Bowles of Connecticut has removed John T. Dunn, Jr., state liquor control chairman and appointed a new three-member commission. In the action the governor said that "a definite and unwholesome relationship existed between Mr. Dunn's membership on the liquor control commission and his private interest as an insurance broker."

Mr. Dunn replied that a finding of fact in the case by Newell Jennings, associate supreme court justice, had failed to establish any such relationship. The dismissal came a week after Judge Jennings' report. Previously he had heard testimony for three weeks in the ouster case originally instituted by the govern-

Non-Provisional Cover Reporting Feature Is Held Not to Be Warranty

The U. S. ninth circuit court of appeals, in Michigan Millers Mutual Fire vs. Grange Oil Co. of Lynn and Benton counties, Ore., has held that an assured should not be penalized for an honest mistake in overstating the amount of non-provisional insurance that it carried in reporting to its provisional amount insurer which was Michigan Millers.

The stock destroyed by fire was worth \$121,410. During the period in question, the assured was actually carrying non-provisional insurance in the sum of \$33,333, but through mistake it reported the amount of such insurance as \$50,000. In settling the loss, Michigan Millers used the \$50,000 figure.

The court stated that an honest mistake was made by the assured in reporting. "What did the insurer stand to lose in the event the error was not discovered?" the court asked. "Loss of premium payments." The error has been discovered and Michigan Millers can and will be placed in the same position it would have been had the error not been made. In fact the premium rate was adjusted on an annual basis and who can say that the error would not have been discovered before the date of adjustment arrived. Michigan Millers was at all times in a position to protect itself by demanding proof of the amount of non-provisional insurance carried; quite a different situation from a report on values. The opportunity for fraud in the reporting of values exists to an extent where an insurer is unable readily to protect itself and it is to the prevention of such fraud the terms of the policy are primarily directed.

"Michigan Millers, while conceding that no fraud exists in the instant case, argues that unless the assured be held to strict accountability for its honest mistake, fraud may be encouraged in other instances. We fail to understand how a recognition of the fact that an honest mistake has not violated the terms of a contract can in any manner encourage fraudulent dealings. Where transactions are tinged with fraud, courts are quick to strike them down and that is what the courts did and why they did it in the cases cited by Michigan Millers."

Michigan Millers argued that failure of the assured to make correct reports of non-provisional insurance, constituted a breach of a promissory warranty. There is no stipulation, provision or agreement in the policy, the court said, to the effect that the assured's failure to furnish true reports shall constitute a condition or warranty. Such a stipulation, provision or agreement is required under the laws of Oregon, in the absence of which, the provisions in the policy under consideration in this case must be construed as a simple covenant.

Name Minn. P. R. Committee

MINNEAPOLIS—Edward F. Halloran, adjuster of Hartford Fire, is general chairman of a committee on public relations for stock fire companies in Minnesota and has named six others to coordinate public relations activities of company men and agents. They are Carl P. Philippi of Philippi & Dressel, general agents, who will head the speakers committee; Walter Nordell, New York Underwriters, St. Paul, films committee; Robert C. Wihren, managing editor "Commercial West," radio and press; Robert Belford, London Assurance, fire prevention; Roy W. Carlstrom, Glens Falls, legislation, and George D. van Wagener, general agent, local agents.

To Elect Officers Aug. 16

Insurance Agents Assn. of Minneapolis will hold its annual outing and election at the Lafayette Club, Lake Minnetonka, Aug. 16. There will be a program of outdoor sports.

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Atlanta Town Meeting Held on Installment Plan

About 60 agency representatives, together with the commissioners from some of the southern states, joined in a gathering at Atlanta last Friday with representatives of Southeastern Underwriters Assn. to consider the absorbing issue of the installment payment of the term premium.

S.E.U.A. it is understood, had intended to file an installment payment plan by July 15, but this was not done. Under this plan the premium for a three year policy would be 2.56 times the annual rate with one-third of the premium payable at inception, one third within nine months after inception and one-third within one year and nine months after inception. For a five year plan the premium would be 4.12 times the annual rate with one-fifth payable at inception, one-fifth within nine months after policy inception, etc. This program was decided upon at an S.E.U.A. committee meeting in New York the latter part of June, together with representatives from other parts of the country.

The question was extensively discussed in town meeting fashion and further conferences were scheduled.

The premium payment plan as approved by S.E.U.A. has not as yet been formally filed with insurance departments. At the meeting held at Atlanta last week, representative agents from Alabama, Florida, Georgia and South Carolina opposed adoption of S.E.U.A. plan. Commissioners and agents requested that further study be given.

McGEE Branch at Seattle

Wm. H. McGee & Co. has opened its 11th branch office, at Seattle under the management of C. E. Cochrane. This office will service Washington, Oregon, Idaho, Montana and British Columbia.

Gains for Half Year

Kansas City Fire & Marine net premiums written for the half-year totaled \$3,277,462, an increase of 27.5% over the same period last year. Net earnings allowing for \$56,494 federal income taxes, were \$129,566. Unearned premium reserve increased \$473,694 to \$1,436,499.

The ratio of losses incurred to premiums earned decreased to 47.28 from 52.63 a year ago, and 48.91% at the year-end. The ratio of expenses incurred to premiums written was 34.67

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago,
July 25, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	79	81
Aetna Fire	2.00*	54	55½
Aetna Life	2.50*	55	56½
American Alliance	1.10*	23	24
American Auto	1.60	44	Bid
American Casualty	.80	11½	12
American (N. J.)	.90	18½	19
American Surety	2.50	56	58
Boston	2.40	62	64
Camden Fire	1.00	20	21
Continental Casualty	2.00	52½	53½
Fire Association	2.50	58	60
Fireman's Fund	2.60	83	85
Firemen's (N. J.)	.50	16½	17½
Glens Falls	2.00*	48½	50½
Globe & Republic	.50	9½	10½
Great Amer. Fire	1.30*	33	34
Hanover Fire	1.40	31	32
Hartford Fire	2.50*	127½	129½
Home (N. Y.)	1.40	30	31
Ins. Co. of North Am.	3.50*	105	107
Maryland Casualty	.50	14½	15½
Mass. Bonding	1.60	27	28½
Merchants Fire, N. Y.	1.15*	26½	27½
National Casualty	1.45*	27	26
National Fire	2.00	51½	52
New Amsterdam Cas.	1.20	31½	32½
New Hampshire	2.00	42½	44
North River	1.20*	25	26
Ohio Casualty	1.00	50	Bid
Phoenix, Conn.	2.00*	84	86
Preferred Accident		3 1/4	3 3/4
Prov. Wash.	1.40*	32 1/2	34
St. Paul F. & M.	2.25*	85	87
Security, Conn.	1.40	32 1/2	33 1/2
Springfield F. & M.	1.90	44 1/2	46
Standard Accident	1.45	33 1/4	34 1/4
Travelers	22.00*	662	672
U. S. F. & G.	2.00*	52	53 1/2
U. S. Fire	2.00	58	60

*Includes extras.

against 34.84 a year ago.

Assets June 30 were \$4,868,699 as against \$4,130,430 Dec. 31. Policyholders' surplus increased to \$2,163,798 from \$2,127,987, after paying \$50,000 semi-annual dividend.

Soape Again Is Heard From on the Texas Front

AUSTIN—The heated discussion and pointed questions at the annual public hearing of the fire insurance division of the Texas board of insurance commissioners here indicated that the insurance commissioners and the legal representatives of the companies doubted the correctness of newspaper accounts quoting Ralph Soape, insurance consultant of Dallas. Soape contends that in last five years dwelling owners in Texas have paid \$42 million in excess premiums according to the board's formula for rate making which allows 55 cents for losses and 45 cents for expenses and profits. Board Chairman George Butler challenged Soape to give some constructive criticism and tell the board what to do and how to do it if, as Soape declared, the Texas rating system is obsolete. Butler asked Soape if he had ever heard of the unearned premium reserve and asked him if companies were making too much money. Soape limited his reply to saying that in some years the companies' losses were greater in the stock market than from fire and windstorm.

Will C. Thompson, Dallas attorney representing company members of Texas Insurance Advisory Assn., filed studies made on the earned premium basis which he said is the only basis on which rate revisions can be considered if companies are to be conducted on sound and solvent principles. Thompson contends the filed studies of experience disprove Soape's claims of excessive rates.

Predict Tenn. Auto Rate Cut

A 20% increase in coverage of cars since passage of the financial responsibility law in Tennessee July 1 led Commissioner M. O. Allen to predict a 10% reduction in auto liability rates "within the next four to eight months." The increase brings auto coverage to an estimated 60%.

Transportation Coverage Issue Is Won by Assured

The transportation clause in the coverage on a combine, according to the Minnesota supreme court in Jorgenson v. Girard F. & M., covered a collision in which the combine that was being conveyed by truck struck another vehicle before the conveyance on which it was loaded struck it, causing the damage to the combine.

The combine was being transported by truck near Concordia, Kan., and was loaded on the truck so that about six feet of the cutter bar of the combine projected beyond the right edge of the truck body. The accident occurred in June of 1947 near Concordia.

The transportation clause describes the losses that are covered as "by the stranding, sinking, burning, collision or derailment of any conveyance in or upon which the combine is being transported on land or on water." The combine was so constructed that it could not be placed upon the truck without extending over the sides of that conveyance. The case, according to the court, is important because of the practice of farmers in Minnesota who, in order to justify their heavy investment in farm machinery, convey it to southern states on trucks and follow the seasonal farming operations as such operations move north.

The court said that to construe the words "any conveyance" as limiting the coverage of the word "collision" to the conveyance alone as distinguished from the unit composed of the truck and its load would be to reach an absurd result.

Cox to N. C. Field Post

Virgil Cox has been appointed special representative of John Ratterree & Co., Greer, S. C., for North Carolina, with headquarters at Greensboro. He has been special agent of National Board at Los Angeles. Mr. Cox is a member of the bar in Ohio and North Carolina. He spent three years as an adjuster for the Shelby Mutual Casualty at Greensboro, was a special agent of F.B.I., 1942-5 and then for three years home office attorney for Shelby.

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CHICAGO

CONVENE BOARD COURSES

It is not too early for men in Chicago offices to plan on attending the weekly Chicago Board courses in all phases of property and casualty insurance which will run during the coming year from October to May. Classes are held in the Chicago Board auditorium from 11 a.m. to 12 noon. Fire insurance classes will be held on Tuesday, marine insurance classes on Wednesday and the casualty course will convene on Thursday. As in the past, outstanding Chicago insurance authorities will lecture.

Enrollment can be arranged through the Chicago Board, 2132 Insurance Exchange building, telephone Wabash 2-1712.

MEYER MANAGES MAIR & CO.

Clarke F. Mair, Chicago special agent Farmers Fire of York, has taken in Herbert K. Meyer as a partner and manager of the newly organized agency to be known as Clarke F. Mair & Co., and will be at 506 Insurance Exchange building, Chicago.

NEW CHICAGO AGENCY

Anthony, McGrew & Edelstein, a class 2 agency, has moved into 460 Insurance Exchange building, Chicago. Two of the members, Raymond B. Anthony, Equitable Society, and Edward G. Edelstein, Connecticut Mutual, will be inactive. F. H. McGrew will be in active management of the firm. Mr. McGrew was with A. F. Shaw & Co. for



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21 years. This new firm will write all lines and will represent National Union Fire, Standard of New York, London & Scottish, Home Indemnity, Century Indemnity and Universal companies.

AERO ASSOC. HOLDS RECEPTION

Aero Associates, Inc., aviation pool, held a small reception in its new offices in the Board of Trade building, Chicago. The president, Donald Murray Stewart, was in town for the occasion. The corporation is binding risks but not issuing policies as yet for the policies and applications are in the process of being printed.

FREEMON JOINS ROCKWOOD CO.

A. Lyle Freemon, claims manager of Ohio Casualty at Chicago, is joining Rockwood Co. as a broker on Aug. 1. He is a graduate of University of Illinois and an attorney.

PACIFIC NATL. MOVES AT CHICAGO

Effective Aug. 1, Pacific National Fire is moving its Chicago office to 120 South LaSalle street. It will occupy the north half of the 12th floor, and the phone number will remain the same.

C. I. B. MOVES ITS QUARTERS

The Chicago Insurance Bureau, which provides insurance credit reports and inspections for the companies, has moved to 330 South Wells street, Chicago. John A. Calvey is manager of the firm which was formed a year ago. Mr. Calvey has a reputation as an experienced inspector, especially in the south side colored district of Chicago.

PATROL ADOPTS COOL SHIRTS

The Chicago Fire Insurance Patrol has adopted a new summer uniform which substitutes a dark blue "T" shirt for the conventional tie and collar shirt on duty. This uniform has been found by firemen elsewhere to be not only cooler, but to permit greater freedom of action at fires.

FIELD

Ehret to N.M., Cook in Kansas for America Fore

America Fore has transferred State Agent William F. Ehret to New Mexico where he will supervise business throughout the state. His new headquarters will be in the El Cortez building, Albuquerque. Mr. Ehret, a former most loyal gander of Kansas Blue Goose, has been at Wichita for nearly 15 years.

Arthur H. Cook of the Rector & Galoway general agency of Denver, has been named special agent in western Kansas to succeed Mr. Ehret. His new headquarters will be in the Central building, Wichita.

Phoenix Launches Bruce

Phoenix-London group has designated Boyd Bruce special agent in the Milwaukee office. Mr. Bruce is a graduate of Columbia University and served in the navy in the recent war. He joined Phoenix two years ago at the New York office where he has been training since.

Alamo Blue Goose Meets

Plans for the national meeting of C.P.C.U. at Dallas were presented at a meeting of Alamo Blue Goose, San Antonio, and the members urged to attend. P. J. McLemore, most loyal gander, announced the appointment of committees, stating that co-chairmen from the Austin puddle would serve with the chairmen named.

Correct Phoenix Detroit Change

In the July 14 issue it was incorrectly stated that Phoenix of Hartford has opened a Detroit office under the super-

vision of W. Kyle Leonard. Phoenix of London is the company that has made this move.

Penfield Oregon President

The executive committee of Oregon Fire Underwriters Assn. has appointed Milton F. Penfield president to complete the term of Robert B. Taylor of Crum & Forster who resigned to become insurance commissioner of Oregon. Mr. Penfield is Royal-Liverpool state agent.

The next regular meeting of the association will be Sept. 12 at Portland.

The association honored Mr. Taylor at a dinner. Mr. and Mrs. Taylor were presented a set of matched luggage.

Urge Philadelphia to Improve Fire Protection

Middle Department Assn. of Fire Underwriters has requested that the city of Philadelphia find means of improving its fire protection facilities in order to help prevent a fire rate re-adjustment. The action closely follows a downgrading of Philadelphia from a second to a fourth class city by the National Board.

Carlyle H. Hill, executive manager of

the middle department association, explained that improvement of the facilities would help avoid a rate increase following a recheck of the city next January.

He warned, however, that if no improvement is shown at that time, rate increases cannot be avoided.

Boyle Forms New Unit

Clement A. Boyle, well known Chicago independent adjuster, has organized a fire insurance department in his office with R. S. Stephenson in charge. Mr. Stephenson is a seasoned fire insurance adjuster. For the past 10 years he has been associated with the independent adjusting firm of John D. Wiese, and before that was with Cook County Loss Adjustment Bureau.

Form Seven Mo. Mutuals

M. H. Adams, N. Adams and L. I. Adams, represented by Ed Ragland, Kansas City attorney, have incorporated Rialto Mutual Indemnity, Springfield, Mo.; Community Mutual, St. Joseph, Mo.; Midland Mutual, Fayette, Mo.; Universal Mutual, Joplin; Mutual Indemnity, Sedalia; Guaranty Mutual, Brookfield, Mo., and Paramount Mutual, Nevada, Mo.



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Orlando, Florida

EDITORIAL COMMENT

Full Underwriting Gets Under Way

Some of the practical effects of multiple line underwriting now are beginning to appear, and the changes are starting to show up in the every day texture of the business. An example is the course in casualty for fire people that will be given this fall by the Insurance Society of New York.

In the first place the casualty courses already being given do not meet the purpose; it would take years for the fire people to take all of them and they go into a detail that for the present is by no means necessary. What is wanted and what has been devised is a briefing in all of the important elements—departments and departmental functions, coverages, reinsurance (very important) and something on methods, competition, service and rates in the casualty field.

A second point of significance is the kind of enrollment that on the basis of present reservations can be expected. This includes presidents of fire companies, underwriters, statisticians, and those who handle personnel. All are beginning a new adventure—the president who has to make company policy and determine long time courses of action; the underwriter who will have to assay this new kind of business that will be coming in and perhaps determine pretty much which casualty lines his

company will write; the men who will have to understand the figures, and the ones who will have the tough problem of finding expert casualty manpower, when casualty companies themselves are not even adequately supplied.

The fire people recognize that as multiple line underwriting gets underway it will develop rapidly. The pressure for companies to do so will come from all agents; they will demand it. They are going to want all the dwelling coverages in one policy, more than one policy on an automobile will become an anachronism. The fire companies themselves are warming up to the idea of taking on casualty business. For one thing, they are interested in getting some one-year premiums, and much of the casualty volume is of this character.

Initially, perhaps the important thing will be to get a good casualty loss man; then find a good underwriter. The automobile department can underwrite the liability business, maybe, but a casualty man is needed for excess of loss contract, to advise on reinsurance for spreading the risk as thin as the fire people are accustomed to do, and so on.

These changes will be coming at a time when competition is increasing, and will add a new element to the competitive forces that will be pressing on the production relationships.

Dangerous Shoals Ahead

Some observers look for a considerable test within the next three months of commission stability in the fire business. This does not mean they apprehend a commission "war." It won't be that serious, but already several things have occurred to herald increased competitive pressure for business.

There is the bidding for business with an extra five points in inland marine. This is said to be going on here and there over the country but particularly in some southeastern cities. One large insurer has returned to excepted city scales of commission in a couple of excepted cities.

There are likely to be other moves of this sort before the end of the year, which will bring more sharply into focus the problem of commission control. Many believe that commissions cannot be kept steady by regulating rates, and at least a few of the commissioners are watching closely as experience under rate regulation gives this point a real test.

The public utterances of the National

Assn. of Insurance Agents' policy by President John C. Stott, vigorous and laudable as they are and as sobering as they may be to responsible producers, cannot keep agents from accepting an extra five points when a company offers it. It is pretty tempting; it increases his income 20 to 25% without a penny's worth more work or expense. And if Agent A is getting it—news of these things gets around quickly in the business—why shouldn't he? Few agencies are as firm in their principles as the one in the east which throughout its history has stuck to a policy of never selling a cut rate contract nor accepting an excess commission.

Commissioners may believe they should not attempt to control commissions, or their laws may prohibit them doing so, but they are watching commission schedules closely, and if one or several companies can pay five or 10 points above the going scale, they may check to see if a rate reduction is in order. Their power over rates is substantial, and they can keep commissions in check

by adjusting rates exactly for this purpose.

The agent who is lured by a 25% commission when he has been getting 20% might remember that if rates are reduced 10% because excess commissions are being paid, his generous company will have to cut him back to the normal rate and instead of getting \$200 per \$1000 of premiums, he'll have to take \$180. It is always pretty hard to increase rates.

If agents are entitled to more commission than they are getting for production of business on certain lines, or on small policies, they should get it. But they are not likely to do so unless they have the figures on costs of operation which justify such an increase. Negatively, those figures are going to be needed to justify what they are already getting, when, as seems likely, state

insurance departments directly or indirectly seek to keep commissions in line. On that kind of foundation a much more permanent and satisfactory adjustment or maintenance of commissions is possible, and it may be the only kind of foundation that will stand up in the time ahead.

At the moment there do not appear to be any lines "soft" enough to warrant a prediction that extra commissions will break out here or there. Business is still good. One way of determining whether it is slackening off is to check the ratio of returned premiums to written, and when the former starts to rise, it will be evident that the peak is past for the company and volume is sliding. That does not yet appear to have happened. But when it does, and perhaps before, company-agency stability on commissions will get a real test.

PERSONAL SIDE OF THE BUSINESS

Carlos W. Campbell of the Weller, Thomas & Campbell agency of Springfield, Ill., was elected chairman of the state G.O.P. central committee at a meeting in Chicago. Mr. Campbell has been committeeman from 21st congressional district since 1942. He was for eight years a member of the Sangamon county board of supervisors and three years its chairman.

Clarence Hathorn of Louisville, special agent in charge of Tennessee and Kentucky for Glens Falls, won prizes aggregating \$23,500 on the "Stop the Music" radio program. He says he will not take the trip to Venice, Italy, as he had already planned his vacation. His first problem is to figure out what he can sell to pay the income tax on his acquisitions.

Ralph McElroy, 65, an employee at Fireman's Fund head office for 28 years, is retiring Aug. 1 under the company's retirement plan. Most of the Fireman's Fund executives and more than 100 fellow employees are honoring him at a dinner July 28, arranged by Fred H. Sloat, superintendent of the automobile loss department. Charles Krause of the marine department, Mr. McElroy's close friend and luncheon companion for more than 20 years, will be master of ceremonies. Mr. McElroy has been employed in the general accounting and later the statistical department.

Joseph A. Bottkol, Menominee, Mich., veteran local agent and president of Menominee Insurance Assn., underwent an operation on his right knee at Augustana Hospital, Chicago. Infection set in and it was necessary to amputate his right leg above the knee. He is now convalescing at the hospital in Chicago.

More than 400 employees of the New Jersey insurance department and treasurer's department at Trenton attended a testimonial dinner for **John Dickerson**, former commissioner, in honor of his being appointed New Jersey state Republican chairman. One of the principal speakers was Christopher A. Gough, acting commissioner.

Clifford Anderson, chief agency accountant for Edward Brown & Sons, San Francisco, is confined to St. Helena sanitarium suffering from anemia. Mr. Anderson had been ill several weeks before his ailment was diagnosed.

Junius M. Clark, for many years executive special agent of New York Underwriters in charge of its Chicago office, now retired and living at Fort Lauderdale, Fla., has been making his annual visit to old acquaintances in Chicago and vicinity.

Insurance Director Hershey of Illinois has returned to his desk after a 22 day visit to Alaska following attendance at the annual meeting of National Assn. of Insurance Commissioners in Seattle.

Governor Thurmond of South Carolina has reappointed **Thomas R. Miller**, Florence general insurance agent, and **A. B. Langley**, president of Carolina Life, Columbia, to the state committee on insurance laws.

DEATHS

Fred A. Bell, prominent local agent of Oskaloosa, Ia., died at the age of 73, after a short illness with a heart ailment. He had been in the insurance business there since 1910 and was an important factor in civic affairs.

Budd W. Jones, independent adjuster at Portland, Ore., died following a heart attack which he suffered while on a fishing trip. He was associated with R. G. Chamberlin.

Edgar C. Pedderson, 45, casualty department manager of Moore, Case, Lyman & Hubbard, Chicago, died suddenly of heart failure in his sleep at his home in Highland Park, Ill. Mr. Pedderson started with North America in 1925 in the automobile department and in 1935 transferred to the casualty department. In 1945 he became manager of the Fred S. James casualty department at Chicago. Early in 1949 he

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Fenton K. Young, formerly a marine surveyor for the Board of Marine Underwriters of San Francisco, Inc., at Seattle, and more recently an independent surveyor, died at Seattle.

Herbert E. Vaughan, Sr., 75, head of the Vaughan-Williams agency, Mullins, S. C., died there after a long illness.

Joseph L. Sheeran, 44, safety engineer of Michigan Mutual Liability, died at Louisville after three weeks illness. He joined the company about a year ago.

Jacob E. Tenner, 78, who retired in 1938 after about 36 years of service with Hartford and Citizens, died at St. Louis. He started in insurance with a local agency at East St. Louis in 1900. In 1903 he joined Citizens as special agent for southern Illinois. Several years later, on the death of Charles Waggoner, he became St. Louis resident manager.

When control of Citizens passed to Hartford Fire about 1907, he continued with that company. In 1923 he was made manager of the St. Louis department and secretary of Citizens. He was St. Louis resident manager at the time of his retirement. He had been a member of the St. Louis Blue Goose since 1915, and for some years served as wielder. He was made a life member of the pond in 1942.

John R. McDaid, Sr., group claims supervisor of Provident Life & Accident

joined Moore, Case, Lyman & Hubbard. Several months ago Mr. Pedderson lost his 12 year old daughter, Donna Jean, following a short illness of leukemia. He is survived by his wife and a nine year old son.

F. Edward Walker, 50, until recently general agent for United Benefit Life and Mutual Benefit H. & A. at Salt Lake City, died instantly in a collision between the auto he was driving and a truck. Mr. Walker had recently disposed of his interest in the agency to Persyl Richardson and H. L. Garfield to take a job as Utah state director of selective service. He had gone to Salt Lake City and entered the insurance business from Oklahoma in 1930. He was a commander in the navy during the last war. Mr. Walker was a former president of the Utah A. & H. Club and a zone chairman for the National Assn. of A. & H. Underwriters.

The Walker agency also had represented United Benefit Fire. Recently Mr. Walker had acted as instructor for the A. & H. school at the University of Utah. He was a graduate of the University of Texas.

Oswald Tregaskis, 63, United States manager for Sun, and president of its American affiliates, the Patriotic and Sun Underwriters, died in New York after a long illness. He was with the Sun Insurance Office throughout his business career and before being made manager of the eastern department in the United States in 1927 had charge of fire business in the British Islands outside of the London area. Mr. Tregaskis was later made United States manager.

Memorial resolutions are being drawn up by the New York Fire Insurance Exchange and the New York Board of Fire Underwriters. Mr. Tregaskis was chairman of the finance and membership committee of the New York Board and was a member of its board.

Ed P. Petri, local agent at Belleville, Ill., died at St. Elizabeth's hospital in that town after two weeks of illness. He was 65. Mr. Petri served two terms as Republican member of the Illinois house of representatives. He was sheriff for St. Clair county, Ill., from 1918 until 1921 when he became warden of the southern Illinois penitentiary for three years. He retired from politics in 1930 to enter the insurance, real estate and loan business.

Joseph L. Roesch, 45, former general counsel of Preferred Accident, died in a New York hospital. He had been practicing law in New York City and was an editor and contributor to the "Spectator." An authority on insurance law, he also was the publisher of a weekly newspaper at Jeffersonville, N. Y. He left Preferred about two years ago.

John F. Sprague, regional manager for the Royal-Liverpool group at Philadelphia, died there. He joined the New York office in 1944 as director of production research after earlier experience with Aetna Casualty, and a Wilmington, Del., agency. In 1945 he transferred to Philadelphia and was made resident vice-president of Globe Indemnity. He was regional manager for the territory since Jan. 1.

Henry A. Fiske, 79, co-author of the Handbook on Fire Protection, died at Providence where for over 30 years he had been manager of the insurance department of the Grinnell Corp. He joined the Underwriters Bureau of New England as an inspector and in 1900

became manager and secretary. He was long active in the National Fire Protection Assn.

Edward F. Kemper, 54, of the Gordon Gambill & Co. agency, Chattanooga, died there.

Ralph W. Smith, 78, retired vice-president of National Surety, is dead. Alice M. Thomason, prominent member of the Insurance Women of Denver and Mr. Smith's private secretary for many years, was bequeathed \$10,000.

Herbert Phillips, for 22 years an actuary of the Minnesota department and father of J. H. Phillips, vice-president of Employers Mutual of Wausau, died at his home at White Bear Lake.

L. W. Garnett, 67, Hopkinsville, Ky., local agent, is dead. He succeeded his father, Walter F. Garnett, as manager of the Garnett Insurance Agency there.

John P. Madison, correspondent for over 30 years for THE NATIONAL UNDERWRITER and other papers and magazines, died at Richmond, Va.

E. F. W. Brannah, 78, an insurance broker at St. Louis for 50 years, died of heart disease.

that more inquiries have been received in the past three months through member companies from building owners interested in fire safety than in any other previous quarter in the last six years.

Special Train to Chicago

Oakland (Calif.) Assn. of Insurance Agents is sponsoring a special train to carry California agents to the Chicago convention of the N.A.I.A. next September. According to the present plan the train will leave Oakland Sept. 15 and arrive at Chicago Sept. 17.

No More "Ad" Comment

Commissioner Downey has notified all companies that the California department will no longer, on request, examine or comment upon any type of insurance advertising literature as it has done for many years past.

Yore's Field Extended

Ted R. Yore, veteran city manager for North British at San Francisco, has assumed supervision of company agencies down the San Francisco peninsula in addition to his present duties.

Cal. Local Boards Elect

New officers have been elected by these California local associations:

Hollywood—President, A. N. Bushnell; vice-president, Marc Leahy; secretary, Harold M. Field.

Fresno—President, John G. Erbes; vice-president, George A. Fisher; secretary, Ernest Cochrane.

Agency in Larger Quarters

CINCINNATI—Earls-Blain agency is occupying attractive new quarters in the Ingalls building, where it has taken over the entire 15th floor. In addition to the commodious space for employees, there are private offices for W. A. Earls, president; E. W. Earls, vice-president, and J. V. Earls, treasurer. The agency occupies about 5,600 square feet of space on the main floor and mezzanine.

Sprinkler Association to Hold Hospital Inspections

National Automatic Sprinkler & Fire Patrol Assn. in September will begin a campaign of frequent inspections of hospitals and all buildings of public assembly. The idea will be presented at the meeting of the International Assn. of Fire Chiefs at New Orleans by H. E. Hilton, executive director of the sprinkler association. The inspection program was developed at the midyear meeting of the association at New York.

Other action taken at the gathering included a program for an immediate campaign in cooperation with hospital architects to improve existing fire protection facilities in hospitals. The action resulted from inquiries by state fire marshals and hospital boards that the institutions be surveyed and plans made for safety.

It was brought out at the meeting



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State agent for Virginia territory. Primary requirement fire with knowledge of allied lines helpful. Should be familiar with Virginia. Salary open. Address V-37. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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EXPERIENCED FIELD MAN FOR NEBRASKA
Prominent stock fire insurance company desires services of experienced field man with following. Reply by stating age, experience and other pertinent information. Our employees have full knowledge of this position. Address V-43. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: FIRE SPECIAL AGENT

Young man with some knowledge of inland marine lines capable of developing present agency plant and making new connections. One experienced in Wisconsin field preferred. Address V-45. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PRODUCTION MAN AVAILABLE

13 Years' experience in Cook County, Fire, Marine, Casualty, Home Office Trained. Want connection in Chicago area with Stock Fire or Casualty Company. Under 40. Married. College. Address V-46. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Brokers Bond Is Liberalized

Stock exchange members and dealers in securities have been afforded broader blanket bond coverage by Surety Association which on July 25 promulgated brokers blanket bond, standard form No. 14 (consolidated form). This coverage involves no change in premium.

The new form, which is retroactive to March 28, combines all the coverages hitherto granted in the basic form of brokers blanket bond, standard form No. 14, plus provisions designed to increase the scope of protection.

The form is issuable to insured who are members of the New York Stock Exchange or of any other recognized stock exchange, or whose principal business is management of or dealing in securities listed on such exchanges, or in unlisted securities.

In addition to the coverage of the basis form, the consolidated form incor-

porates in its printed provisions: Broad premises coverage; insuring clause D; insuring clause E; retroactive extension; and trading loss coverage.

The definition of property has been broadened to include valuable papers and documents.

A more liberal form of superseded suretyship treatment has been devised for standard form No. 14. The retroactive extension coverage which embodies this treatment extends retroactively into the period of prior insurance the terms (except amount) of the bond. Reference should be made to this coverage for its specific terms, but generally it is intended to cause the terms of the bond to apply to a loss sustained during the period of any other insurance affording coverage similar to the coverage given by such bond. This treatment has been available previously in bankers blanket bond, standard form No. 24.

Surety Association has promulgated an additional insuring clause in bankers blanket bond, standard form No. 24.

This clause, the counterfeit currency insuring clause, is added by rider without premium charge. It covers any loss through the receipt by the insured, in good faith, of any counterfeited or altered paper currencies or coin of the U. S.

Coffay to Mass. Bonding

John P. Coffay, Jr., is joining Massachusetts Bonding at New York in charge of casualty underwriting. He started in the home office of Maryland Casualty in 1925. From 1936 to 1941 he was casualty manager at New York. In 1941 he joined American Automobile and in 1944 was made manager of the New York metropolitan office.

Equitable L. & C. in Idaho

Equitable Life & Casualty of Salt Lake City has entered the company in Idaho. The company writes life, accident and health and is licensed in Utah, Colorado, Wyoming, Nevada and Arizona.

DEATHS

Chairman of Anchor Casualty Dies at 63

ST. PAUL—Funeral services were held here for Rolland V. Mothersill, one of the founders and long president



R. V. MOTHERSILL

and more recently chairman of Anchor Casualty. He was a compensation expert with long experience in the rating field.

Mose Schulman, 75, formerly associated with the Gibson, Winer & Co. agency, Louisville, from 1928 until his retirement nine years ago, died there.

Randolph Neil Is Named

Randolph S. Neil has been appointed special representative in Kansas and western Missouri for Fireman's Fund Indemnity. He is well known in that field.

Issue Fire Policy Digest

The Insurance Assn. of Los Angeles is sending to its members a digest giving comparisons between the California standard fire policy form, as it has been in use for several years, with the new standard fire form just enacted into law.

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Industry Should Sell N.Y. Disability Coverage Now

Delay Will Mean Headaches; Promptness Will Gain Advantages

NEW YORK—A timely warning to the insurance industry to write disability coverage for New York employers now, and not wait until the last minute next year when employers July 1 will have to have it, is issued in the following thoughtful discussion of the very real problems that will arise if the business does not get an early start.

It was prepared by Donald E. Tatum, assistant group manager of the R. E. Larkin agency of Connecticut General Life here. Mr. Tatum expresses his own personal views in the matter, but it should be noted that he was on the ground handling business when the California and New Jersey rushes were occurring:

Know What to Build On

The New York disability benefits law requires that each covered employer must provide non-occupational accident and sickness insurance for his employees which will provide at least 50% of earnings up to \$26 per week for at least 13 weeks in any one year. This coverage must provide payments commencing at least on the eighth day of any non-occupational disability. The law further provides that employees may be required to contribute $\frac{1}{2}\%$ of earnings up to 30c per week, and that employers must pay any additional cost required to provide these benefits. Coverage must become effective not later than July 1, 1950. There are certain employers who are excepted from this law, but it has been estimated that between 150,000 and 200,000 New York employers must act by July 1, 1950, and have coverage in force by that date. The employer may buy this coverage from any authorized insurance company or from a state-operated insurance carrier, or he may self-insure the benefits.

The New York law is a model from the standpoint of the insurance salesman since each employer must take positive action, must do something to meet its requirements. This was not true in New Jersey and in California, where no action on the employers' part was an-automatic acceptance of the state plan. The New York law further provides a ceiling on employee contributions which is too low to be designed to cover the entire cost of the benefits. Psychologically this is better from the viewpoint of the insurance industry inasmuch as the state carrier will be faced with the same problems as the private insurers, viz., how much more than this $\frac{1}{2}\%$ should be charged?

COMPETITION

Actually, what the state decides to charge is immaterial at this point, since private insurance companies must remain competitive or withdraw from the field, and no companies are currently announcing plans to withdraw. Experience in New Jersey and California indicates that minimum state required benefits can be insured privately more economically than through the state. Therefore it seems safe to assume that private carriers will be competitive when the state announces rates, or very shortly thereafter, should the state quote rates lower than those currently offered by private carriers for similar non-occupational accident and sickness coverage, which seems unlikely.

The insurance industry has available non-occupational accident and sickness plans which provide benefits of up to $\frac{2}{3}$ of earnings for as long as one year per disability. It is a simple matter to

work out plans providing 50% of earnings for 13 weeks per disability, which is slightly more liberal than the requirements of the state law. This accident and sickness coverage is not new, the theory behind it is not new, the rates which should be charged for it are not new. In fact, this coverage has been written for 30 years by many insurers and a vast fund of data and statistics has been accumulated on the subject during that period. The New York disability benefits law does not require any new coverage to be provided. All it does is require that all employers must now provide for their employees what only the more generous or liberal or far-sighted ones have provided voluntarily in the past. Further, the law says that after July 1, 1950 all employees may be required to contribute toward the cost, thus relieving some employers of part of the burden which they have been assuming themselves prior to that date.

Advantages of Promptness

To sell this coverage now we must convince the employer that we can underwrite his risk now, that we have the necessary rates and experience to do so. We must also convince him that he has nothing to lose by buying now, and much to gain. We must convince him that we have coverage available for him now which will provide the required benefits and that he will not suffer from any rates which may be announced later by either state or private carrier. We must convince him and ourselves that what we should think of is not New York disability benefits, but plain, simple, old fashioned non-occupational group accident and sickness insurance which has been available to him for the past 30 years on a voluntary basis. We must convince him that whatever minor contractual changes which may be required in light of this law can be handled as soon as they become necessary with a minimum of fuss and bother.

There are several sound reasons why right thinking employers should provide this coverage for their employees now, and other reasons why employers who may not be so generous should take steps to insure that these benefits will be in force on the July 1 deadline, by making application to their agents and brokers and setting up plans which will be ready to go into full force by that date.

Can Get Full Credit Now

The reasons for providing benefits now are the same ones group salesmen have been using for years, with an added note of urgency. Employers never again will have an opportunity to use the valuable employee relations tool offered by group accident and sickness insurance. They can still get full credit and benefit for providing the coverage voluntarily for their employees. All credit in the minds of employees for this coverage will go to the state, not the employer, if he waits until July 1, 1950 before providing these benefits. They can still sit down with their insurance counsellors and work out plans specifically designed for the needs of their own individual firms, always bearing in mind the minimum benefits required under this law. Thus they can arrive at an intelligent decision based on facts and needs, not dictated by haste. They still retain control of the situation, and can act calmly and wisely.

Even though a firm may be unable or unwilling to assume the full cost of providing these benefits before the law permits assessment of the employees, plans may be set up and put into operation on a contributory basis, with each employee

(CONTINUED ON PAGE 13)

Committees on N. Y. Disability Law

Closer Review of State Rating Plans Is Recommended

N. Y. Department Reports on Mutual Rating Bureau Examination

NEW YORK—The report of the New York insurance department's examination of Mutual Casualty Insurance Rating Bureau contains several recommendations, some of them similar to those that were made in the examination of National Bureau of Casualty Underwriters. The department has followed the policy, adopted some time ago, of allowing the examined unit opportunity to reply to the recommendations and including the reply in the report. Abraham Silver wrote the report, and Currey Sanders of Tennessee participated in the examination.

Rating plans, particularly schedule rating, should be reviewed for unfair discrimination and for competitive abuses, the report suggests. The bureau should assume more active administration of the casualty experience rating plans in various states. Action may have to be taken by most states to fill the gap in regulation of "a" rates. And combined experience of all companies for different classifications and territories, as well as experience of company or companies for which the filings are made, should be considered in rate filings.

Detailed Suggestions

The department recommended that both the National Bureau and Mutual Bureau review automobile local and long haul gross receipts rating formulae to eliminate the abuses to which these rating bases are subject, or withdraw the rating procedure. Burglary experience other than residence should be reviewed for possible revision. The green summary of individual rates for burglary insurance should be printed as a supplement to the manual and its distribution be unrestricted. The two bureaus should investigate the feasibility of extending to New York the principle of combining forms of coverage for experience rating purposes. Renewals of "a" rates should be followed up to ascertain whether they are continued by the same company and at the same rates. The adjustment factor applied to taxpayers' mutuals' losses should be reviewed by both bureaus to give greater effect to their experience. Finally, the bureaus should study economies in the rating of glass coverage and the reduction of acquisition cost to all sizes of risks.

The Mutual Bureau thinks schedule rating plans represent a transitional phase in the introduction of regulation into unregulated fields. When the commissioners decide that schedule rating does not tally with the statutes, the bureau "will be glad to withdraw its filings, provided all similar filings made by other organizations and individual carriers are withdrawn coincidentally."

Need More Men, Space

The bureau is extending its administration of rates; for example, last Jan. 1 it began requiring members and subscribers to file copies of the rating calculations under the bureau rating plans. The big problem here has been the need for additional personnel and space to handle increased operations under vastly enlarged rate regulation.

A program for administering "a" rates (CONTINUED ON PAGE 16)

Stone Elaborates Views on the Interstate Compact

From Bernard R. Stone, insurance director of Nebraska:

On reading the editorial in the July 21 issue of your publication entitled "New York Leadership," I feel you have somewhat missed the point.

During a discussion at Seattle relative to the possibility of handling many insurance problems by the interstate compact method of approach, I mentioned what had transpired with reference to hearings required by the casualty rating statutes of the various states in connection with jewelry floater policies. The situation was that one large company had filed a deviation for approval. The Inland Marine Insurance Bureau filed a protest. This meant that every state where the filing had been made would have to have a hearing to determine the facts. With such a situation, the bureau sent out a cry for help and requested the various states to postpone their hearings until the New York department held its hearing and made a determination.

It was my feeling, and I so stated, that some vehicle for handling this type

of problem should be set up by all the states so that it could not be said that New York was running state supervision and that the question had been raised as to whether it was better to have insurance regulation run from New York or from Washington. I have not been one to criticize the New York department and I do not know where state regulation would be today if it were not for the help given by New York. It has the personnel and the money to deal with the many problems confronting the insurance industry and is doing a fine and constructive job. Smaller states can never hope to have the funds and personnel to go into matters as thoroughly as does New York.

It is my opinion that they can, however, by the use of interstate compacts, raise sufficient money to employ experts in the various fields to study these problems and to render advice and assistance to all state departments. As a matter of fact, the present method of operating the committee on valuation of securities amounts to an informal compact. I feel it would be better if it were formalized by a written compact which was approved by the legislatures of the various states and also by Congress. There are many fields in which the interstate compact method of handling insurance regulation would be of value and certainly with a compact approved by Con-

gress, the states would be in a strong position to prevent inroads on state regulation by federal agencies.

California Sets Up Driver Training Schools

California's new law making automobile driver education compulsory in the high schools of the state has created a demand for trained instructors which will be met by teacher training institutes sponsored by colleges throughout the state. The accident prevention department of the Assn. of Casualty & Surety Companies, with the co-operation of the C.A.I.A. and the National Automobile Club, is conducting courses at Sacramento State College, Sacramento, July 25-29; Occidental College, Los Angeles, Aug. 1-5; University of California, Berkeley, Aug. 8-12; San Francisco State College, San Francisco, Aug. 15-19; Fresno State College, Fresno, Aug. 22-26.

Marlan K. Strasser, educational director of the Accident Prevention Department of the Assn. of Casualty & Surety Companies, will represent the association.

Casualty Underwriters, Inc., of St. Paul, reports premium volume of \$354,000 the first six months this year.

Clarke Is Named N. Y. Chief for American Auto

American-Associated has appointed R. W. Clarke as resident vice-president in charge of the New York office, succeeding John P. Coffay, Jr., who has joined Massachusetts Bonding.

Mr. Clarke will be succeeded in his present post as manager at Newark by Irving G. Smith.

Mr. Clarke was feted at a luncheon last Friday by Otto Patterson, executive vice-president.

Mr. Clarke started with American-Associated 21 years ago at New York. He has held various positions with the companies, at New York, Providence and Hartford. On his return to the New York branch from Hartford in 1943, he resumed his duties as assistant manager and continued in that capacity until his appointment as manager at Newark in 1946.

Mr. Smith joined American-Associated in 1942 at Newark and has held various positions in that office including, since April of 1948, that of assistant manager. He entered the business with General Accident in 1929 and remained with that company until 1942.

Permissive Use of Plans Not Analogous to Auto

Attempt by insurer to draw an analogy of interpretation between the liability of the insurer under the permissive use clause in an automobile contract and an aviation liability policy excluding liability if the plane is flown in violation of flying regulations with the consent of the insured, was not allowed by the Louisiana U. S. district court at Lake Charles in Green vs. Bankers Indemnity.

Mrs. Green sued Bankers for recovery for the deaths of her husband and minor children in an airplane crash in which the pilot, Floyd Walker, son of the insured, was admittedly negligent in piloting the plane into a dangerous storm area without instrument flying attachments and with no knowledge of instrument flying.

Bankers Indemnity pointed out that the policy excludes liability in respect to injuries or death or damage caused by any operation with the consent of the insured in violation of the U. S. federal regulations applying to instrument flying, and noted that permissive use in the automobile contract has been interpreted in Louisiana to include liability to the insured for use beyond that contemplated.

The senior Walker and others testified that at the time the plane took off, the weather was clear and there was no indication of a storm. Young Walker always informed his father before starting a flight. The court observed that when permission to fly in this case was granted, Walker senior, did not know and could not know that a violation of air safety regulations pertaining to instrument flying was impending. Without this knowledge he could not have consented to such a violation and it was a practical impossibility for him to have given the consent alleged by Bankers Indemnity when the storm was encountered. The claim of Bankers Indemnity that the son as the named pilot in the contract is a strong indication of the insured's confidence in the pilot and his consent to operate the plane at his discretion, once permission for a particular trip is given, was denied.

Walker senior sued American for damages to the airplane, American using the same defense as Bankers Indemnity. The court returned a verdict in favor of Walker for the hull damages.

James D. Williams, Minneapolis, has been reappointed a member of the Minnesota industrial commission. He has been a member since 1921.

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI



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Advance Work on N. Y. Cover Is Urged

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reserving the right to participate and contribute or not, as he chooses, at least until he automatically becomes covered in July, 1950. Employe participation in contributory accident and sickness plans has always been high.

For the employer who doesn't even want to make the concession of an immediate contributory plan to his employes, there remains the attraction of careful consideration, calm thought, mature decision on a plan, and provision for it to become effective on July 1, 1950. This may be done now, and the employer will have the problem solved and settled long before he has to wake up and face it one summer morning, simply by making the effort now, and

applying for coverage to become effective on July 1, 1950, with no pressure of undue haste to mar his decision.

The employer who fails to buy, or at least make arrangements for coverage early will find himself forced to decide hastily, to act perhaps unwisely at the last minute. To confuse matters further, he will be besieged with callers, swamped with mail, and bewildered with conflicting claims to "best on the market." The employer who waits until the last minute to provide benefits may find he cannot get the individual advice and attention he needs. Those capable of providing it might be too busy to spend much time with him in working out his problem.

Course in Casualty for Fire Personnel in N. Y.

The multiple line bill and changes resulting from it have caused requests that the Insurance Society of New York organize new courses to expedite the branching out of many companies into new lines of business.

A series of lectures in the casualty and surety business for personnel of fire companies is one of the first to be developed. The series as now constituted is planned to include material helpful for people in the underwriting, loss and accounting departments. It is believed that those interested will range from beginners and younger clerks to department heads and company executives.

E. G. Crasper, vice-president of Pacific Fire, is acting as chairman of the committee in charge of the lectures and has been largely responsible for the organization of the series.

R. H. Tillotson, American Surety, will be the instructor and has joined with Mr. Crasper and Arthur C. Goerlich, of the Insurance Society, in working out details.

The course of lectures will take 60 hours, Tuesdays evenings, Sept. 20 to late May. The fee is \$45.

Among the subjects considered will be the structure of casualty and surety companies; the coverages underwritten by such companies, including automobile, general liability, workmen's compensation, burglary, plate glass, fidelity, surety, miscellaneous; reinsurance; and the development of casualty and surety business.

Farm Examiners Club Visits Candy Co. Farm

The Farm Examiners Club of Chicago recently made a field trip to the Curtiss Candy Co.'s farm near Carey, Ill. Members who made the trip, numbering more than 40, were impressed not only by the farming operations but by the excellent housekeeping and fire prevention and fire fighting facilities. They reported that the main building seemed to be almost as good a fire risk as the trout stream.

The party was welcomed by President Otto Y. Schnering of the Curtiss company. The tour was conducted by L. M. Olszyk of the advertising department. Also on the trip were R. E. Maynard, manager of the Curtiss insurance department, and his secretary, Mrs. Berne Blane.

The group was entertained at luncheon at the Biltmore country club, near Barrington, by the Fred S. James Co., which was represented by F. Schuyler Dauwalter, George W. Blossom III, and W. J. Springer.

Arrangements were in charge of Ray Schwank, National Fire, program chairman. It was the final meeting until fall.

The club is planning an extensive program for the coming season.

More Mich. Features

Highest advance registration ever is reported by Waldo O. Hildebrand, secretary-manager of the Michigan Assn.

of Insurance Agents, for the organization's annual convention at Grand Rapids Sept. 26-28. An exceptional number of company executives and a number of commissioners from other states are planning to attend, because of the special recognition being given Commissioner David A. Forbes of Michigan, president of N.A.I.C. Sept. 27 has been designated as "Forbesday," with special program features. Wolverine of Lansing is to sponsor a floor show, and the Blue Goose will provide entertainment.

General theme of the convention will be "The Buyers' Market."

One of the topics to be discussed is driver education in the schools, to be led by Lester L. Silvernale, executive secretary Michigan Inter-Industry Highway Safety Committee, an organization sponsored by Assn. of Casualty & Surety Companies.

A qualification examination for agents' license applicants is to be conducted at the convention by the Michigan department with the association providing refresher instruction in advance.

New Reinsurance Company Is Launched at Louisville

LOUISVILLE — Louisville & General, with capital of \$50,000, to reinsure all types of insurance except life, has been incorporated by Charles G. Lewis T. and Eric S. Tachau, affiliated with E. S. Tachau & Sons, Louisville local agents, and Louisville Fire & Marine.

Charles G. Tachau, an official of all three, stated that the new company will be a reinsurance organization solely. He also stated that an affiliated local company, known as Western & Kentucky, which is Tachau-managed, is increasing capital from \$50,000 to \$200,000 and surplus from \$100,000 to \$150,000.

Mr. Tachau is leaving shortly for Europe, planning to visit several company offices in England and elsewhere with which the Tachau interests have reinsurance treaties.

Rutgers Insurance Courses

Rutgers University will hold an extensive insurance course in its extension division at Newark starting Sept. 21 and ending May 30.

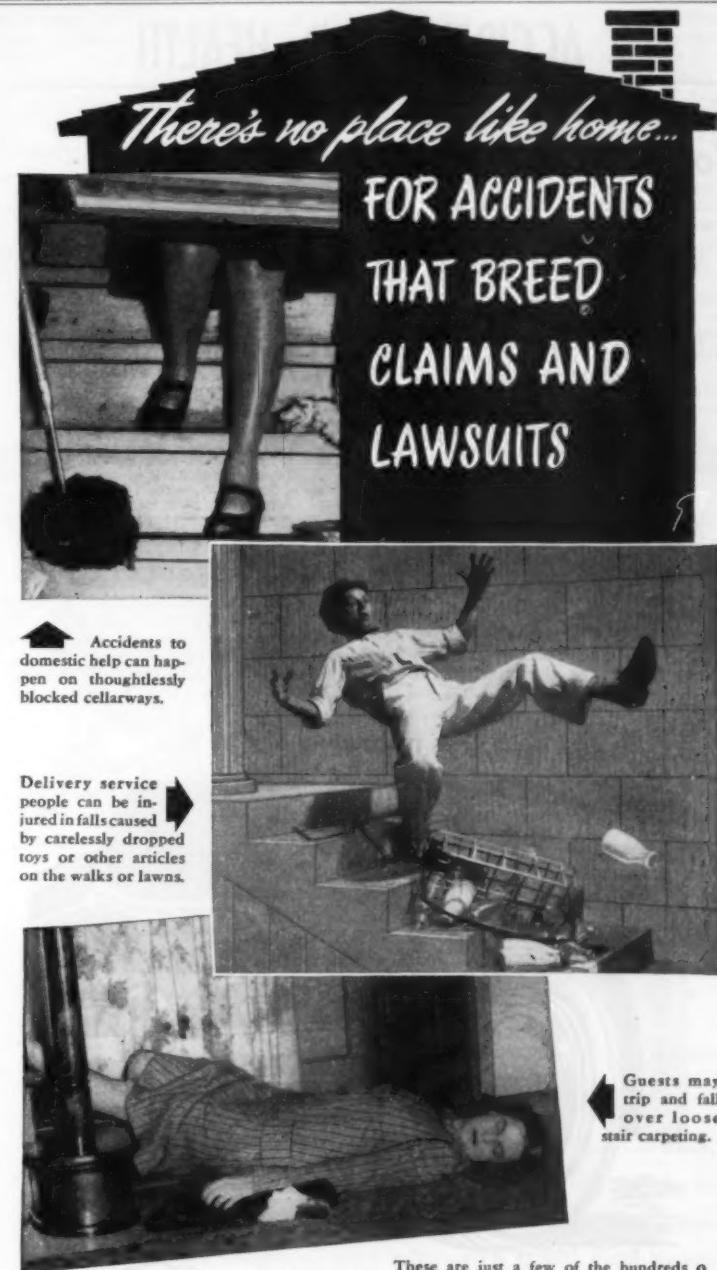
The courses will include C.L.U. and C.P.C.U. work, life insurance, general insurance and casualty claim investigating.

Tex. Cotton Rate Hearing

The Texas department is holding a hearing Aug. 18 on revision of fire insurance rates, rules, and standards applying to cotton compresses, cotton warehouses, and open cotton yards not on gin premises.

Fill S. D. Assigned Risk Pool

All companies writing B.I. & P.D. in South Dakota have by now subscribed to the new South Dakota Automobile Assigned Risk Plan. The plan will be administered from Minneapolis by James F. Reynolds, who manages the Minnesota plan.



These are just a few of the hundreds of hazards that should be covered by a Comprehensive Personal Liability Policy.



HERE'S A NEW, EASIER WAY TO SELL C.P.

With the Ohio Casualty Policy Analysis as a sales guide you can do a better job of explaining just exactly what this policy covers, how vital it is to anyone, homeowners particularly.

When you add that this policy covers all accidents which an insured and his family or pets may cause to happen to others at home or anywhere—your client will be sure to recognize the fact that here is low-cost broad protection that he cannot afford to be without.

Copies of the Simplified Analysis of Ohio Casualty's C.P. Policy are available to all our agents. Other alert, responsible agents, interested in selling the newest and broadest coverages, are invited to write for detailed information.

THE OHIO CASUALTY INSURANCE COMPANY

Fast, friendly coast-to-coast claim service

HOME OFFICE,
HAMILTON, OHIO

ACCIDENT AND HEALTH

Name Conference Committee Chiefs

New committee appointments have been announced by Frank L. Harrington, Massachusetts Protective, president H. & A. Underwriters Conference.

The group committee, which operates virtually as a section of the conference, has the most extensive organizational setup: Chairman, P. W. Watt, Washington National; vice-chairman, industrial group, J. E. Hellgren, Lumbermens Mutual Casualty; vice-chairman, association group, G. L. McDowell, Commercial Casualty; vice-chairman, blanket, F. M. Walters, General Accident; vice-chairman, franchise, H. C. Pogue, Business Men's Assurance; secretary, Bill Howland, conference statistician.

The underwriting committee, which like the group committee holds meetings of its own, also has two vice-chairmen, J. M. Wickham, North American Life & Casualty, and Charles D. Scott, Great American Reserve. D. B. Alport, Business Men's Assurance, is chairman.

Fred Grainger, Federal Life & Casualty, is conference chairman of the dis-

ability insurance joint committee, liaison group with the International Assn. of A. & H. Underwriters.

Other chairman are: Agency management, J. E. Schotefeld, North American L. & C.; Blanks, A. C. Olshen, West Coast Life; Business standards, F. M. Walters, General Accident; Convention, Paul G. Garey, Commercial Casualty; Education, C. F. Lee, Columbian National Life; Finance, L. D. Cavanaugh, Federal Life; Hospital insurance, Irvin A. Weaver, Secured Casualty; Legal, Clarence L. Peterson, Ohio State Life; Medical insurance, W. deV. Washburn, American Health; Membership, Stanford Miller, Employers Reinsurance; Memorials, A. W. Franklin, United Commercial Travelers; Non-cancellable, H. R. Lawson, Massachusetts Protective; Planning, Robert R. Neal, North American Accident; Public relations, F. S. Vandebrouck, Monarch Life (C. W. Young, Monarch Life, honorary chairman); Social insurance, James E. Powell, Provident Life & Accident; Standard provisions, Jarvis Farley, Massachusetts Indemnity; Statistical, John H. Miller, Monarch Life; Taxation, John Jay Temple, American Hospital-Medical Benefit.

Appoints Walls in W. Va.

Craftsman, recently admitted to West Virginia, has appointed Glenn E. Walls of Fairmont as state manager. Craftsman is reinsuring, effective Aug. 1, all A. & H. business of Inland Mutual of

Huntington, W. Va., which is retiring from that field to concentrate on its casualty lines.

Mr. Walls, besides being a director of Inland Mutual, is president of Capital Insurance Service at Fairmont, with agencies throughout the state.

Moore, Case Names Life, A&H Brokerage Head

Moore, Case, Lyman & Hubbard, Chicago, has named Earl W. Montgomery brokerage manager under Robert B. Kegley, manager life and accident department. Mr. Montgomery has been with Central Life of Illinois at Chicago for the past year, rewriting A. & H. coverage.

Before the war, Mr. Montgomery was with Household Finance in Chicago and Madison, Wis. He served as an army officer and was wounded at Saipan. Following release from the hospital in 1945, he joined the home office A. & H. department of Provident L. & A. Provident transferred him to Chicago in agency promotion work and then he was sent to Detroit to build up a new branch there.

R. A. Anderson to High Post in Fla. Company

Richard A. Anderson, resident actuary of Protected Home Circle of Pa., Sharon, has resigned as of Sept. 1, to join Professional Ins. Corp. of Jacksonville, Fla., as vice-president and actuary with supervision of home office operations. He was educated at Iowa State College. For the past nine years he has been with Protected Home Circle. Before that, for six years, he was with Royal Neighbors of Rock Island, and for four years was with Union Mutual Life of Des Moines.

He is president of Fraternal Actuarial Assn.

Sterling Promotes Holmquist to Board

Sterling of Chicago has appointed G. E. Holmquist, vice-president, to the board and increased the executive committee to five members. Mr. Holmquist and John H. Lumley, executive vice-president and board member, have been appointed to fill the two new positions.

Mr. Holmquist joined Sterling about five years ago. He engineered the building of and moving to new quarters, took over supervision of methods and procedures. In 1947 he was elected vice-president, and is now assistant to Mr. Lumley.

Mr. Holmquist has been in the business since 1922, with Retail Credit of Atlanta, Standard Fruit, and Union Indemnity. After 12 years with Kemper Insurance he was office manager and purchasing agent, and an assistant secretary of Lumbermens Mutual and American Motorists.

National Masonic Appoints 3

J. Howard Gongwer was elected general counsel of National Masonic Provisional Assn. to fill the vacancy created by the death of Wm. F. Voegele. Dr.

G. B. Robinson, medical director, was elected vice-president and H. G. Miller was made a member of the executive committee.

Dellorto Leads Sterling

Joseph Dellorto, Sterling of Chicago, was awarded a new Chevrolet by the company for being top producer in a recent three-month production contest. He is a member of the Chicago South Side agency.

Organization Completed

Disability Income Insurance Co., Indianapolis, has completed its organization and will write guaranteed-renewable, level premium disability income protection. The paid-in capital and surplus amount to \$200,000. The president, Richard A. Calkins, was general agent in Ohio and Indiana for Massachusetts Indemnity for the last 14 years.

Polio Assn. to Meet Aug. 9

Polio Insurance Assn. will conduct an underwriting and claim meeting at the Stoneleigh hotel, Dallas, Aug. 9.

The morning session will be devoted to underwriting practices and in the afternoon claim practices will be taken up. Officers will be elected in the afternoon.

MARINE

Kronz S. E. Marine Manager

National Union Fire has promoted Joseph H. Kronz, marine special agent, to marine manager of southeastern department. He will supervise inland marine business in North and South Carolina, Georgia, Alabama and Florida, continuing headquarters at Atlanta.

Mr. Kronz joined National Union in 1929 and served in various capacities until he entered service in 1942. After more than three years' active duty, he rejoined the company and was appointed marine special agent in Allegheny county, Pa. In 1947 he was transferred to the southeastern department.

New Marine Office Branch

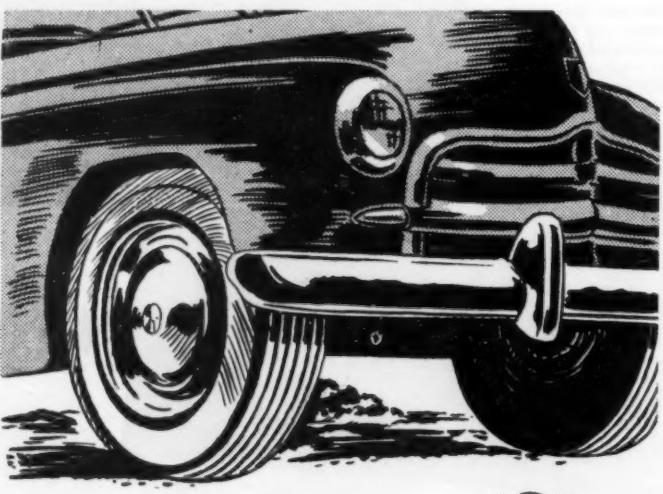
The Marine Office of America has established an office at Portland, Ore., with R. G. S. Atkinson in charge as special agent.

Mr. Atkinson has been associated with marine insurance business in Portland for a number of years and during the last war was an officer in the U. S. merchant marine.

Amend I.M. Definition in Ill.

The Illinois department has amended the nationwide marine definition of the personal property floater to eliminate the exclusion of hazards "while in permanent residence of the insured" under tourist and/or personal effects floater policies covering individuals, and for individuals and/or generally on silversware floaters.

Atlantic Mutual and Centennial have been admitted to Minnesota.



It is safer to drive with good tires—and even safer with Uniform Traffic Rules and Regulation. Every community must encourage proper legislation to stop the COSTLY CONFUSION of many signs and local laws.

THE YORKSHIRE INSURANCE CO. LTD.
SEABOARD FIRE & MARINE AND THE
YORKSHIRE INDEMNITY CO. OF N.Y.
90 JOHN STREET --- NEW YORK CITY

BOS'N DAN THE ANCHOR-MAN

"Anchor's The Way M'Boys—Anchor's The Way"

It takes less time than that to fill out one of Anchors simplified bond applications

Yes sir, injuries arising from structural alterations on your premises protect you if you carry Anchor's Comprehensive Liability Policy

When "you're covered" in a robbery be sure to be with Anchor's Anchor Blanket Bond

ANCHOR CASUALTY COMPANY
SAINT PAUL & MINNEAPOLIS

CHANGES IN CASUALTY FIELD

Stevens Heads F. & D. General Fidelity Division

Carroll G. Stevens has been appointed superintendent of the general fidelity division by F. & D. He was promoted from associate superintendent of that division, filling the vacancy created by the retirement of W. W. Watson.

In 1923 he joined the F. & D. investigation division. He entered the general fidelity division the following year, and became assistant superintendent of the division in 1940. He was made associate superintendent in 1946.

Mr. Watson joined the company as a stenographer-typist in 1906 and became superintendent of the general fidelity division in 1921. Mr. Watson was appointed an assistant secretary in 1928.

J. C. Gardner Named F. & D. Manager at Syracuse

John C. Gardner has been named manager at Syracuse by Fidelity & Deposit. He succeeds Wm. L. Lowe, who has been granted a year's leave of absence.

Mr. Gardner has been with F. & D. since 1930, starting in the legal department at Baltimore. After serving in various capacities in the home office, he went to Detroit in 1937 as special agent. After three years' service with federal Bureau of Investigation during the war, he was placed in charge of the F. & D. service office at Grand Rapids. Last March he was appointed assistant manager at Syracuse.

W. G. Cannon Takes Post With New Cal. Company

Wesley G. Cannon, veteran Pacific Coast casualty executive, has become assistant to the president of the newly formed California Union, which is being operated by the Pacific Coast general agency of Edward Brown & Sons. Mr. Cannon lately has been operating as a broker at San Francisco. He started in 1910 with the old Pacific Surety and later became northwest manager at Portland and still later Los Angeles manager. In 1913 he became superintendent of London & Lancashire Indemnity. The next year he went with International Indemnity and thereafter was vice-president and coast manager of Union Indemnity. In 1935 he became production manager for Hartford Accident and in 1937 went with Edward Brown & Sons as vice-president. In 1942 he was named San Francisco manager of Accident & Casualty.

Wausau Group Appointees

Employers Mutuals of Wausau has advanced to field sales managers, Floyd B. Brown, Milwaukee; Edward E. Williamson, Dallas; Richard E. Dvorak, Atlanta; James E. Long, Los Angeles, and Earl W. Brown, Detroit. John G. Willis has been named branch claim manager at Atlanta and is replaced in that capacity at Columbia by Marion S. Jordan. Frank W. Appleton, Jr., was transferred to Charlotte to succeed H. D. Gilbert as claim manager when the latter enters the sales field. Karl H. Schuelke replaces Mr.

Ill. Natl. Gets New Home

Illinois National Casualty has moved its home office into a new two-story building of modern design at Fourth & Adams streets, Springfield, Ill. The company now has more than 100 employees in its home office and conducts business through 750 agents in Illinois, Indiana, Ohio and Iowa. It is expected that the premium volume in 1949 will reach \$4 million and that assets will exceed \$4 million, a considerable increase in both categories over the 1948 showing.

Appleton as claim manager at Salt Lake City. Harold E. Bliss has been transferred as underwriter from Los Angeles to Indianapolis to succeed Russell R. Ross, who took a similar position at Atlanta after the death of A. J. Orth.

Appoint Wasson, Stewart, Smith (Ill.) Aviation Mgr.

Joseph H. Wasson has been named to head the aviation department of Stewart, Smith (Illinois) Inc., Chicago. He succeeds G. D. Holcomb, Jr., who has gone with Aero Associates, Inc. Stewart, Smith (Illinois) continues in its role as one of the largest factors in the aviation insurance business. The firm maintains facilities through Lloyds of London for aircraft hull, aircraft liability, airport liability, air meet liability, agricultural dusting and spraying, hangar-keeper's liability, and personal accident (individual and group). All these are written on a direct basis. Workmen's compensation is written on an excess basis.

Mr. Wasson entered aviation in 1927 and in 1931 started in aviation insurance with Barber & Baldwin at Kansas City. He was assistant manager of that office from 1935 to 1940. Barber & Baldwin in 1932 merged with Aero Insurance Underwriters. From 1940 to 1946, Mr. Wasson headed the Aero office in Dallas. He opened the Dallas office for the United States Aviation Underwriters in 1946 and then joined Stewart, Smith at Chicago.

Anchor Appoints State and Special Agents

Anchor Casualty has appointed H. Richard Farmer special agent servicing southern California and Arthur E. Peterson, Jr., state agent in Arizona.

Mr. Farmer entered the insurance business as an Aetna Casualty & Surety special agent in Wisconsin and for the last five years has been state agent in Minnesota and North Dakota for Anchor.

Mr. Peterson, whose service office will be in Phoenix, has been in local agency work there and previously was with the home office of Continental Casualty in an executive capacity.

Ensminger Special Agent

Hartford Accident has appointed Harold N. Ensminger, Jr., special agent at Oakland, Cal., to serve Alameda county producers in conjunction with Samuel W. Kelley, special agent. Mr. Ensminger, a graduate of the University of California, has been with Hartford since 1941, having been trained in all the casualty departments.

Hart Handles S. F. Work

Carlyle E. Hart, for 30 years with the Fidelity & Casualty in its Pacific Coast department and for a number of years special agent covering the coast counties near San Francisco, has been transferred into the city to handle city business.

James J. Durkin, with the Fresno branch for several years, will take over Mr. Hart's old territory and John W. Sweatt will succeed Mr. Durkin at Fresno, headquarters for the San Joaquin Valley territory.

Johns to Local Agency

H. V. D. Johns, who resigned as associate manager at Los Angeles of U. S. F. & G. July 1, has gone with the local agency of Paine-Paulin Co. there.

New Hartford Claim Office

Hartford Accident has opened a claim office at Bangor, Me., making the total number of such offices 173. Lawrence P. Sullivan is in charge. He has been an adjuster in the Portland, Me. office

since 1946 and is a graduate of Holy Cross College. During the war he served in the army.

Frederick J. Martin was named resident adjuster at Fort Kent, Me.

Widely Varying Proposals at Okla. Rate Hearing

OKLAHOMA CITY—Widely varying rate proposals were heard by the Oklahoma insurance board at a hearing on workmen's compensation rates. A. Z. Skelding, actuary of National Council of Compensation Insurance, testified to the need of an increase averaging 8.8%, while E. J. O'Connor, executive vice-president of Associated Industries of

Oklahoma, contended that sufficient profits had been made by insurers in the past eight years, to take care of any liberalization in the law, and asked for a 6.9% reduction. The council argued that 11.2% increase would be necessary in order to meet demands of the law passed by the last legislature. This statute raised minimum benefits from \$10 to \$15 and maximum from \$21 to \$25 a week.

The Insurance Board postponed action and set Sept. 10 as a deadline for accepting new data from both sides.

George R. Pritchett, state agent of American in Indiana, is receiving congratulations on the arrival of a granddaughter in the home of his daughter, Mrs. Theodore Brill, of Wichita.

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DO YOU BELIEVE That Bertillion Invented the Finger Print Identifi- cation System?

The Chinese originally used their thumbs as "seals". Sir William Herschel originally introduced the practice in India.

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. . . of this fact; that Hawkeye-Security-Industrial gives its agents the best in all-around business building service at all times.

Here are two great companies that not only provide full Casualty, Industrial and Fire Coverage but give every agent every help in building his business . . . prompt claim service without red tape . . . a maximum number of sales helps and a skilled Field Representative staff which works closely with every agent.

These are only a few of the reasons why "the trend is to Hawkeye-Security-Industrial".

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WANT ADS

Only once in a lifetime does a Fidelity, Surety & Burglary Underwriter-Production Man get an opportunity like this. Agency Mutual Casualty Company needs a man for the Chicago office with at least 15 years experience in these lines who wants and can do a bigger job. Opportunity unlimited. Must have excellent performance record. Salary open. Give all details in first letter. Address V-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY MANAGER — WANTED

Must be well grounded in all forms of Fire and Casualty in Illinois and understand production. This position is open only to a man of outstanding ability. Write giving all details as to background, experience and starting salary requirements. All replies treated confidentially, no references contacted without permission. Address V-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Accident and Health Supervisor. Company wants man with accident and health experience, legal training preferred, to supervise accident and health policies, agency contracts and claims. Opportunity for advancement. Address V-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Philadelphia Office of a Mutual Insurance Company is looking for a young, experienced bond and burglary underwriter. This is a real chance for a young man to grow with a progressive company. Write giving age, experience and personal data. Address V-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Mutual Casualty Company wants experienced Bond and Burglary Special Agent for midwest. Expanding business requires man capable of top production and salary. Give experience and personal information. Address V-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted Man or Woman with office experience in general insurance capable of managing office doing over half million. Middlewest. Write Box V-33, c/o National Underwriter giving age, qualifications, salary expected. 175 W. Jackson Blvd., Chicago 4, Illinois.

AUTOMOBILE UNDERWRITER needed in Detroit, Michigan, in Home Office of growing organization. If you have automobile casualty and automobile fire experience, are 28-35 and have at least two years college, this is an excellent opportunity. Give full details. Address V-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Highly experienced casualty claims manager. Presently employed. Prefer mid-west or southern territory. A-1 references. Address V-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED FOR ILLINOIS

Field man—experienced auto and casualty man—ideal opportunity for aggressive man with ambition. Address V-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Closer Check on State Rating Urged

(CONTINUED FROM PAGE 11)

is in use in New York and as other states "become more sensitive to the need for closer supervision in this field," it is hoped they will consider the New York experience.

The bureau agrees that combined loss experience of all companies should be available and that statistical plans should not preclude a combination of experience.

The truck rating formulae already have been revised. The recommendation as to burglary rates was based on 1946 experience, and experience worsened after that. A number of green sheet burglary items are now included in manual supplements. The two bureaus already are working on a combination of forms of coverage for experience rating in general liability. Under the New York (a) rating procedure an (a) rate once established continues indefinitely and is binding on the user. The carrier is bound by bureau rules.

Glass Rule Recommendation

Glass rules now provide for premium discount on premiums over \$100. If discounts are to be applied to small as well as large risks, it should result from favorable experience, and that would amount to a rate revision. The bureau is studying a reduction in rating territories, but it points out that the tendency is for a refinement in other lines.

The department stated that on both long haul and local hauling, insured could choose specified car rating one year and gross receipts the next, to the disadvantage of the company. Gross receipts rating is so fraught with possibilities of abuse and manipulation that a concerted effort should be made to eliminate its abuses or abandon the procedure. The bureaus are, according to the report, working on the matter.

On experience rating of general liability lines there is a considerable difference in eligibility requirements between New York and other states. No supervision is exercised over the calculation of experience modifications except in New York. Elsewhere it is left to companies and "the accuracy of application can only be surmised in the light of the existing strong competitive conditions."

In New York City three taxpayers mutuals have specialized for years in writing O. L. & T. on apartments and tenements. They conduct business differently from other companies in the field through "more rigid claim investigations." As a result their loss ratios have been lower than other companies, but unallocated claim expenses are considerably higher. They write a substantial portion of the business on New York City apartments and tenements. Taxpayers losses are considerably modified to bring them to the level of other companies' experience, beyond a point that appears warranted by the difference in operations, the report states.

The department thinks that the economies in expense gradation resulting in glass discounts, together with waiver of detailed exposure schedules, affect all size risks and therefore rate concessions should be made on smaller.

Ill. Producers Fair Trade Bill Vetoed by Governor

Governor Stevenson of Illinois has vetoed the fair trade act for agents and brokers which would have blanketed producers' associations under state law. The act was sponsored chiefly by Illinois Assn. of Insurance Agents. It would give the insurance director considerable discretionary powers. It was declared unconstitutional in an opinion of the attorney general.

The unauthorized service of process act has been signed and is now law. This is aimed at unlicensed mail order A. & H. companies principally.

Question \$15,000 Limit of New Ill. Dram Shop Act

The question as to whether the recent change in the Illinois dram shop law limiting recovery for damages to \$15,000 might safely allow an insured to reduce his coverage to that amount has caused some speculation among agents and brokers.

The law now states that damages shall be limited to \$15,000 on any injury or death. However, whether a \$15,000 dram shop policy would cover a case of multiple injuries or deaths is up to question. The case might arise in which a person is killed and leaves four dependent children. Can each one sue for \$15,000 loss of means of support?

If a person leaves a tavern and is intoxicated and is in an automobile accident in which four or five persons are injured, can each of the injured parties sue for \$15,000? These and other questions have led many to believe that interpretations of the new law probably will have to be made in the courts.

Although the question of effective liability in a case of multiple injury or death may be indefinite, for single party claims there is evidently now a solid \$15,000 limit.

The new bill has been signed by the governor but is not yet in effect. The two year statute of limitations, when it goes into effect, will not immediately bring relief, since there are many suits pending in amounts of \$100,000 or more. Tavern owners will have to maintain fairly high limits until some of these problems are resolved. One of the benefits of the two year statute is that it will cut off suits whereunder minors who have lost their means of support wait until reaching age 21 before bringing suit.

One effect of the new law will undoubtedly be to bring many new companies into the dram shop coverage field. Liquor liability insurance will become a more attractive line from an underwriting standpoint.

Only a few months ago, St. Paul Mercury Indemnity withdrew from the field. It discontinued taking any new business and it is understood the company will not accept renewals. Rates were increased from 50 to 100% by the remaining writers, and because of the high limits required the new rates sometimes were as much as one-third of income. Many tavern owners had their backs to the wall financially trying to support their dram shop insurance program.

Despite the numerous questions that have arisen under the changes in the law, the industry is generally well satisfied. There were a number of bills up in the last legislature to amend the dram shop act and several of them were considered inimical to the industry. One would have provided an assigned risk plan for dram shop insurance.

N.A.I.A. to Confer With Red Cross Aug. 11 on Cover Plan

A conference will be held at New York Aug. 11 by Basil O'Connor, president of American Red Cross, and representatives of the National Assn. of Insurance Agents. N.A.I.A. will be represented by its president, John C. Stott, and Charles P. Butler, executive vice-president. They will discuss the Red Cross plan to purchase automobile and workmen's compensation coverage on a national rather than a local basis.

Fast Insurance and Police

Less than seven hours after a bandit held up Fidelity Industrial Bank at New Britain, Conn., last week, taking about \$9,000, U. S. F. & G. had reimbursed the bank in full for its loss. Payment was made through the Chernoff & Lockwood agency.

The young bandit turned up at the bank at 9 a.m. and ordered the credit manager to pile the cash into a shopping bag. The bandit was apprehended by police two days later at Springfield, Mass.

Transport Systems Safest Since 1938

Passengers on U. S. transportation systems were safer in 1948 than in any years during the last decade, the National Safety Council reports.

"Accident Facts," the annual statistical publication of the council, reveals that all major forms of transportation—passenger automobiles and taxis, buses, railroads and air lines—improved their accidental death rates last year.

Their combined rate was 1.8 deaths per 100 million passenger-miles, the lowest in the 10 years that comparative records have been kept, the council said. A passenger-mile is one passenger carried one mile.

Scheduled air transport planes showed the greatest improvement in 1948 as compared with 1947, according to the council, although railroad passenger trains again had the lowest death rate

Scheduled air transport took 83 lives last year for a passenger-mile death rate of 1.3. The railroad passenger death total was 52 and the death rate 0.13. Buses came close behind the railroads with a rate of 0.18, although deaths totaled 120. Automobiles and taxi claimed by far the most deaths with 15,200, but their huge mileage total, 710 billion miles in 1948, brought the rate down to 2.1.

Renew Effort to Block North America Deviation

(CONTINUED FROM PAGE 1)

men Mutual, Collegeville; R. J. Chalmers, Pennsylvania Lumbermen's Mutual Fire; Charles H. Rich, Donegal & Conoy Mutual, Marietta, and Henry B. Gibbel, Little Mutual Fire. They said their companies were not among the 219 forming the protest committee.

No punches were pulled in the second day of the hearing.

The hearing was to continue Wednesday afternoon with hope expressed that it would conclude that evening.

The companies, through Mr. Kaplan, attacked North America experience figures stating that the company had lost 7.83% on fire business countrywide over a five-year period and also that it lost money on fire business in Pennsylvania. This, they said, proved that the deviation was not based on any expense savings. They also attacked the agents contract used by North America stating that it did not have any special value in cutting down losses.

New Cal. Law Will Increase Disability Costs

LOS ANGELES—In discussing problems that will be imposed on insurance carriers by the act adding \$8 per day hospital benefits for 12 days under UCD plans increase in cost is placed at from 40 cents per month up for each individual covered, according to Clarence H. Tookey, actuarial vice-president of Occidental Life. He feels the additional benefits will increase the insurance company loss ratios by 25% or more and that many groups can not be carried in the face of such an increase.

Allan Thaler, actuarial supervisor in the western home office of Prudential, said: "The costs of the benefits provided by the new law both to the state fund and to the insurance companies should not be underestimated. The insurance companies are in a relatively more difficult position to provide these benefits since they have been giving full value for the dollar through the media of greater benefits and dividend returns, whereas the state has been accumulating all excess contributions as a surplus fund. In most cases insurance companies will be in a position to provide this new coverage only by a reduction in present benefits or by an increase in premium."

nsportation man in any state, the National Statistical Bureau, reveals that air, bus, taxi, and ship passengers have moved their seats in the rear.

1.8 deaths per 100,000 passengers, the lowest comparative figure ever recorded by the council.

es showed that in 1948 as compared to 1947, the passenger death rate was down 83 percent. The death rate per 100,000 passengers was 0.13, down from 0.18 in 1947. The railroads had the highest death rate at 0.20, followed by taxis and buses at 0.18, and air and ship passengers with the lowest rate of 0.13.

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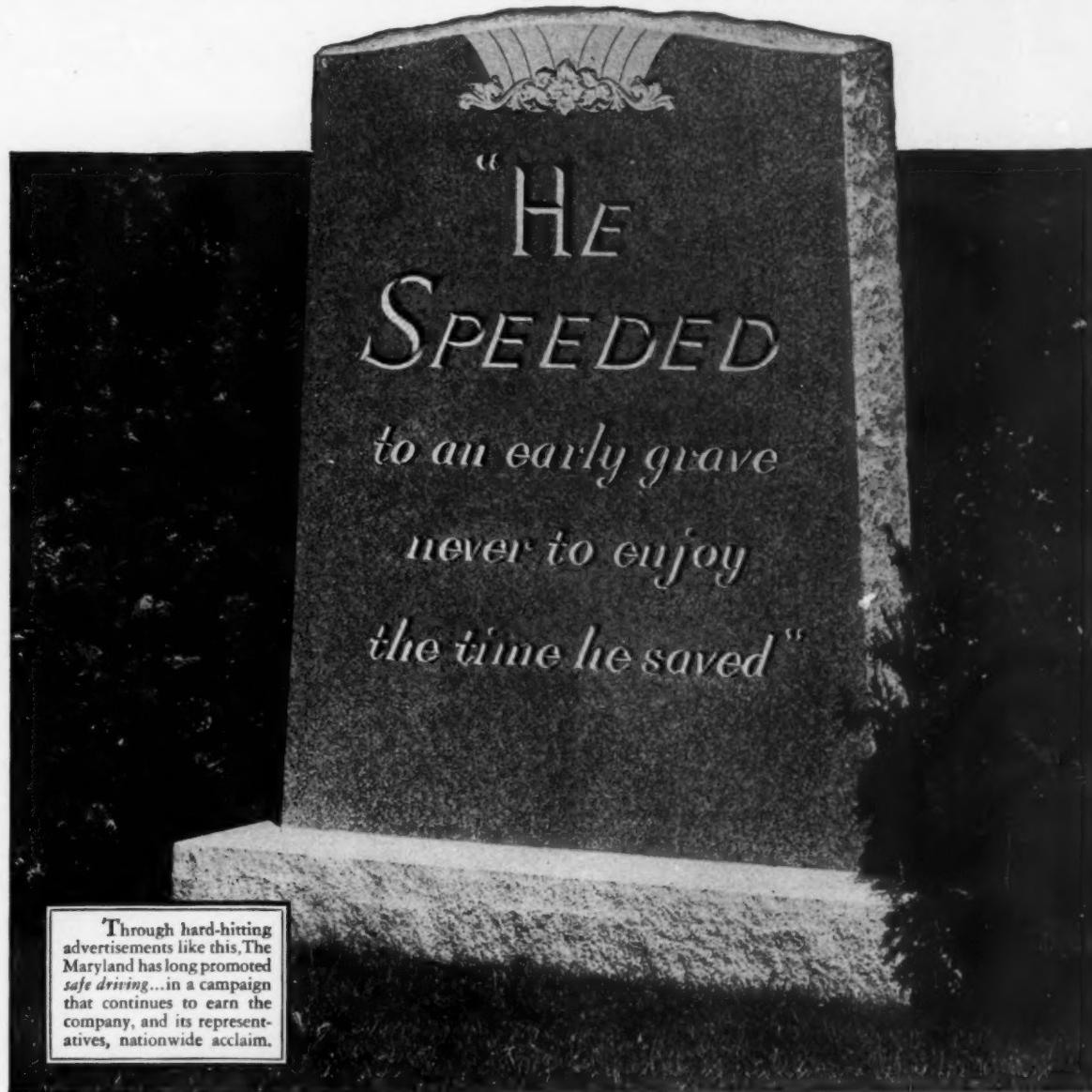
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"Unforeseen events . . . need not change and shape the course of man's affairs"



LET THIS grim epitaph to a motorist in a hurry remind you . . .

To take it easy. Go slow at crossings. Pass only when you can see what's ahead. Pamper the throttle, don't abuse it. Read and heed all traffic safety signs. Help save some of the 35,000 and more lives that otherwise will be lost this year . . . through motorists' negligence or carelessness.

It's a terrific toll—and one that *you*, when at the wheel, can help lessen. By dedicating yourself to safe driving, by observing caution every mile of the way whether in town or on the highway, you'll be doing your part to help save other people's lives—and *your own!*

Always remember: *The wheel of your car is a wheel of chance. Handle it with care.*

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ASH LAWN

"Cabin-castle of the Fifth President"



From this home, two miles distant from Monticello, Monroe used to signal to his friend Thomas Jefferson

WITH a gun slung over his shoulder young James Monroe trudged several miles to school each day through the Virginia forests. His companion was John Marshall who years later as Chief Justice was to administer the oath of office when Monroe became President. In 1774 at the age of sixteen Monroe left his native Westmoreland County to enter the College of William and Mary. Little is known of his life there except that he was one of eight who signed a petition charging that the "Mistress of the College" served the students "scarce and intolerable food" while providing her brother with delicacies.

But the nation's struggle for liberty soon blotted out such trivial concerns, and at eighteen as lieutenant in a Virginia regiment Monroe joined Washington's forces in New York. He fought at Harlem and White Plains, was among the first troops to cross the Delaware and was wounded at Trenton. During the battle of Monmouth he acted as a scout for Washington who later wrote of the young Virginian, "He has in

every instance maintained the reputation of a brave, active and sensible officer."

When Monroe married the beautiful and aristocratic Elizabeth Kortright, her friends "twitted her with the amiable reflection that she was expected to have done better." Not only was the marriage unusually happy, however, but the "not particularly attractive" Virginia Congressman served three terms as Governor of Virginia, became U. S. Senator, minister to France and to England, Secretary of State, Secretary of War, and was twice elected President.

While a law student, Monroe formed a close friendship with Thomas Jefferson which prompted his acquiring Ash Lawn, a plantation near Monticello, the latter's home, and there he built his "cabin-castle." This one-and-a-half story frame house was completed about 1798 under Jefferson's supervision while Monroe was in France. The gardens of Versailles are believed to have inspired the beautiful boxwood garden which Monroe planted. The twenty-six years he spent at Ash Lawn were the hap-

piest of his career but his election to the Presidency obliged him to leave.

As his years of service to his country left him in straitened circumstances, Monroe was obliged to sell Ash Lawn in

1825. His last days were spent with his daughter in New York where he was a familiar figure in his black velvet knee breeches and buckled shoes.

Considerably enlarged by a subsequent owner, Ash Lawn was restored and opened to the public on Monroe's birthday, April 28, 1930.



Nursery in the happy home



View of his daughter's room

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